



3.3 UNITED KINGDOM

The U.K. has a GDP of about \$620 billion (US) and a population of some 57 million. The major industries in the U.K. are machinery and transport equipment, metals, food processing, paper and paper products, textiles, chemicals, clothing, motor vehicles, aircraft, ship building, petroleum and coal. ● ●

The U.K. spends 2.3% of its GDP on R&D, half of which is financed by industry. It ranks fourth or fifth in overall R&D spending worldwide.

The Government currently provides nearly £5 billion support for R&D directed principally towards procurement (47%), improvement of technology (18%) and advancement of science (17%). Half of the annual Government expenditure supports defence research, one-quarter university research and the remaining quarter civil research (the last a gradually decreasing share).

After the US and Japan, the UK is Canada's most important trading partner.

TECHNOLOGY TRENDS

As a result of recent UK Government reviews, the amount and balance of government supported research is being altered:

- Support for advancement of science activities is being gradually increased with budgets of the five research councils for university research grants and Council Intramural Laboratory programs benefitting, although unevenly.
- Government support for industry R&D has been curtailed, with cost-shared support generally only available for industry-led collaborative projects within the UK and Europe. Industry no longer receives support for "near-market" research which the government considers to be the responsibility of industry to sponsor without assistance.
- Government assistance for technology transfer, industry-education links and expert/management support, aimed at small companies.
- Reduction of government expenditures for public sector civil R&D to a GERD percent level similar to what Japan and US spend (ie. from 25% in 1987 to 10% within the next few years). In practical terms, most government laboratories are either being closed, privatized or converted to support exclusively government policy or program mandates. Laboratories which are retained in government support roles will be quasi-independent agencies and will operate by obtaining contractual funding agreements to supply specific services to government departments.