

DEVELOPMENT OF A PPI FOR R&D

25th Voorburg Group Meeting in Vienna 2010

Agenda

- **Price index for what R&D?**
- **R&D classification**
- **Index recipe**
- **NA requests**
- **Summary**

Price index for what R&D?

- **Sector approach:**

- NACE rev. 1, 72: 9 bill. € in 2007 (market production)

- **Product approach:**

- Stifterverband: 43 bill. € in 2007 (production expenses)

**➔ product approach more general,
sector approach good representative?**

R&D classification

- **Current NACE classification:**
 - **Scientific R&D (8.3 bill. €)**
 - R&D on biotechnology
 - Other R&D on natural sciences and engineering
 - **R&D on social sciences and humanities (0.6 bill. €)**
 - R&D on social sciences and humanities

- **Main R&D producers in Germany**
 - **Manufacture of transport equipment (15.6 bill. €)**
 - **Manufacture of electrical, optical equipment (8.2 bill. €)**
 - **Chemical industry (6.5 bill. €)**

 **Classification too broad?**

R&D classification (2)

- **Frascati definition**
 - **Basic research (4.9%)**
 - **Applied research (48.5%)**
 - **Experimental development (46.7%)**

Index recipe

- **What is the production process?**
- **Definition of R&D production classes**
- **Defining R&D products, characteristics...**
- **Quality change?**

NA requests

- **Price index for sector R&D**
- **Price indices for all NACE sectors producing R&D**
 - **Satellite account for R&D**

➔ PPI should be ‚multifunctional‘

Summary

- **Product approach preferable**
 - Problem: R&D register for survey difficult to obtain

- **Pre-Survey:**
 - What is the production process?
 - Definition of R&D production classes
 - Defining R&D products, characteristics...
 - Quality change?

- **Utilization issues**
 - Aggregation to NACE classes R&D?

Thank you!

Contact: Johanna.von-Borstel@destatis.de

©Federal Statistical Office of Germany, D3 Prices