

Research and development (R & D) intensity for a country is defined as the [R & D expenditure](#) as a percentage of [gross domestic product](#) (GDP).

For an enterprise, R&D intensity is the ratio of a firm's R&D investment to its revenue (the percentage of revenue that is reinvested in R & D). R & D is the main driver of [innovation](#), and R&D expenditure and intensity are two of the key indicators used to monitor resources devoted to science and technology worldwide. Governments are increasingly referring to international benchmarks when defining their science policies and allocating resources.

The [European Union \(EU\)](#) is currently lagging behind both the USA and Japan in terms of expenditure on R & D as a proportion of GDP, primarily due to slow relative growth in business R & D expenditure. The [European Council](#) set an overall target of 3 % of GDP by the year 2010, with industry asked to contribute two thirds of this objective.

Related concepts

- [High-tech](#)
- [Research and development](#)

Statistical data

- [R&D expenditure](#)

Source

- [Europa - Investing in European Research](#)
- [R & D intensity](#) (CODED - Eurostat's Concepts and Definitions Database)