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Canada's Top 100 Research and Development Corporations Invest \$9.4 Billion in Total Research and Development Initiatives

RIM, BCE and IBM Canada report more than \$500 million in R&D spending

Toronto, ON (November 2, 2011) Research Infosource, Canada's source of Research and Development intelligence, is proud to announce that RIM, BCE and IBM Canada lead the country in spending valuable resources on research and development initiatives.

Total research income for Canada's Top 100 R&D Corporations was \$9.4 billion in Fiscal 2010, down from \$10.4 billion in Fiscal 2009, a 9.4% decrease over Fiscal 2009. According to *Canada's Top 100 Corporate R&D Spenders List 2011*, released today, this continues a negative trend in R&D spending for the 5th consecutive year. However revenues increased among the 92 companies that reported by 4.7%. This year's revenue-bucking trend is not unique. In 6 out of the past 9 years, R&D spending dropped, while revenues increased. In Fiscal 2010, 48 companies posted R&D spending increases, 48 declines and 4 companies remained flat over the period.

"An interesting twist to the results this year has Nortel Networks Corporate (still active in 2010) and TELUS Corporation both posting significant drops in their R&D spending in Fiscal 2010, unduly skewing the results, said Ron Freedman, CEO, Research Infosource. "After adjusting for this, the overall R&D spending by the 98 remaining companies posted a respectable 3.5% increase in Fiscal 2010. One bright spot is that according to Statistics Canada, the number of companies performing research jumped from 8,741 companies in 1997 to 22,314 in 2007. At least more firms are playing in the game."

Research in Motion (RIM) remains Canada's top corporate R&D spender, devoting nearly \$1.4 billion to research, an increase of 26.3% over Fiscal 2009. RIM's spending on research expanded slightly faster than its revenues (up 20.1%).

Twenty-two companies qualified for Research Infosource's elite \$100 Million Club, firms that reported \$100 million or more in research spending in Fiscal 2010. Together these companies spent \$6.67 billion in Fiscal 2010, accounting for 71% of total spending. Among the 20 companies in the Club both years, 9 companies increased their spending, while 10 posted decreased and 1 remained flat between Fiscal 2009 and Fiscal 2010.

"2010 is not unique. In the past 10 years Research Infosource has documented spending drops over 7 years. Yet, during that period, company revenues have increased in all but 2 years," added Freedman. "So, there does not appear to be a strong relationship between R&D spending and corporate revenues. Clearly, other factors are at play in the anemic performance."

Certainly, government incentive programs play a role. So too do global trends; for example, the migration of manufacturing activity to the Far East. Also contributing is the changing nature of corporate R&D itself. In decades past most R&D was performed by in-house corporate research labs, whereas today those labs have largely disappeared. The economy is facing new headwinds in the form of a global slowdown. It remains to be seen how deep this will be and what its effect will be on the corporate R&D scene.

Canada's Top 100 Corporate R&D Spenders List 2011 is available on the Research Infosource website, www.researchinfosource.com/latestlist.

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About Research Infosource Inc.

Research Infosource Inc., a division of The Impact Group, is Canada's source of R&D intelligence. Drawing from a proprietary database, Research Infosource Inc. publishes **Canada's Innovation Leaders** which includes *Canada's Top 100 Corporate R&D Spenders List*, *Canada's Top 50 Research Universities List* and new this year – *Canada's Top 40 Research Hospitals List*. As well, Research Infosource publishes specialized reports and is the producer of *The Innovation Atlas of Canada*TM – a web-based research and innovation mapping and data information product.

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