<u>Statistics on innovation activities</u> <u>for 2018</u>

According to the statistics on Hong Kong innovation activities released today (December 23) by the Census and Statistics Department (C&SD), the gross domestic expenditure on research and development (GERD) of Hong Kong in 2018 amounted to \$24,497 million, representing an increase of 10% when compared to the corresponding figure of 2017 (\$22,213 million). The GERD as a ratio to the Gross Domestic Product in 2018 was 0.86%. Analysed by performing sector, the expenditure on research and development (R&D) activities performed in the business, higher education and government sectors amounted to \$10,992 million, \$12,357 million and \$1,148 million respectively in 2018.

C&SD has enhanced the estimation of GERD for 2018. Following international guidelines, for R&D facilities offered to institutions free of charge or at a subsidised rate, the implicit user costs were estimated and included in the 2018 R&D expenditure. The GERD compiled according to the enhanced estimation method for 2017 was \$22,213 million, which was \$933 million larger than the GERD estimated earlier without implicit user cost.

R&D activities refer to creative and systematic work undertaken so as to increase the stock of knowledge for devising new and improved products/processes/applications and improve existing products/processes/applications.

More detailed statistics on Hong Kong innovation activities, together with the concepts and methodology, are given in the report "Hong Kong Innovation Activities Statistics 2018". Users can download this report free of charge at the website of C&SD (<u>www.censtatd.gov.hk/hkstat/sub/spl20.jsp?productCode=B1110010</u>). The report presents the latest statistics on R&D activities in Hong Kong, with analyses of R&D activities performed in the business, higher education and government sectors. It also contains detailed statistics on technological innovation activities (including product and process innovation) and non-technological innovation activities (including organisational and marketing innovation) in the business sector.

Enquiries about the statistics on Hong Kong innovation activities can be directed to the Science and Technology Statistics Section of C&SD (Tel: 3903 7290 or email: stbl@censtatd.gov.hk).