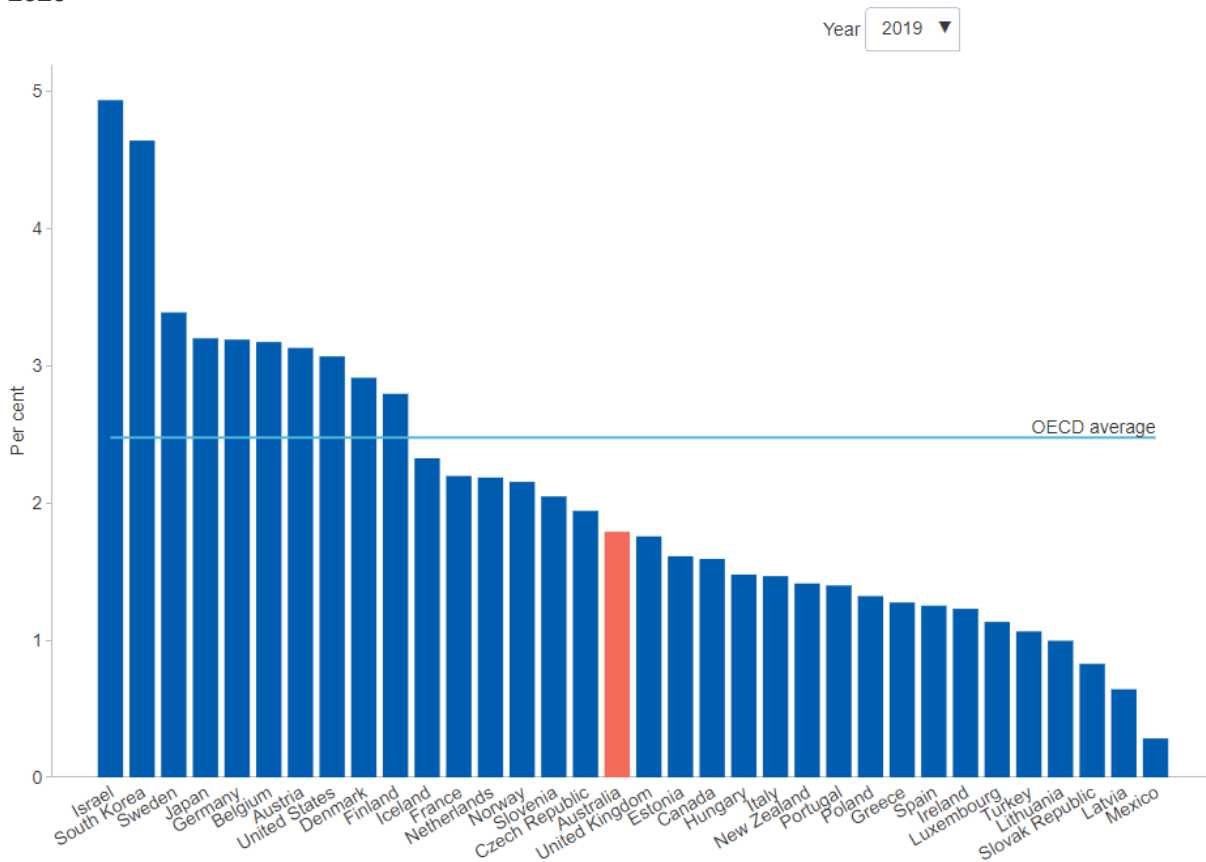


3.5.1 Gross expenditure on R&D (GERD) as a share of GDP

Gross expenditure on R&D (GERD) is a key headline measure of a country’s aggregate R&D activity. It is the sum of expenditures on R&D across all sectors of the economy — business, government, higher education and private non-profit. Australia’s latest GERD estimate published by the ABS is \$35.6 billion in 2019–20, which represents an increase of around 7.7 per cent from \$33.1 billion in 2017–18.¹ Australia’s national R&D intensity (GERD as a share of GDP) has held steady at 1.79 per cent in across both periods, remaining below the OECD average of 2.48 per cent in 2019. In the same period, *Israel* and *South Korea* had the highest national R&D intensities, 4.93 per cent and 4.64 per cent, respectively. Australia’s overall R&D intensity peaked at 2.25 per cent of GDP in 2008–09 and has been declining ever since.²

Figure: Gross expenditure on R&D (GERD), share of GDP, OECD countries, per cent, latest 2020



¹ ABS, *Research and Experimental Development, Businesses, Australia*, Cat. No. 8104.0 (<https://www.abs.gov.au/ausstats/abs@.nsf/mf/8104.0>)

² OECD (2021) *Main Science and Technology Indicators*, September 2021, OECD Publishing (<http://www.oecd.org/sti/msti.htm>)