

RESEARCH AND DEVELOPMENT

This response is made on behalf of Johnson Matthey plc

Johnson Matthey is a leading British chemical company, FTSE 100 listed, employing 11000 people worldwide and in business since 1817. We have 3500 employees in the UK, and the bulk of our global R&D efforts are carried out in the UK, with a major research centre at Sonning, employing around 400 scientists, and with further research and development facilities embedded in businesses around the UK. All told we employ more than 800 scientists and research workers in the UK.

Our general stance is that the relation between the UK and the EU with respect to R&D is in our view a very positive relationship, with access to funding, expertise, quality people brought about through the mechanisms of the EU.

Impact on the National Interest

Q1 Where has the EU had positive impact for the UK on research and technological development?

A: Funding

Johnson Matthey has been able to secure funding through the European Investment Bank (EIB) of greater than £100m to support R&D activities in emission control and process and low carbon technologies. This research will support the development of both light and heavy duty vehicle emission control and on developing catalyst technologies that will meet the stricter emission standards that will come into force in the next few years. This is the third occasion that the EIB has provided finance for our R&D investments, and represents a key part of our funding portfolio. The funding will support work at Sonning and also at Johnson Matthey R&D facilities in Billingham, Teesside, together with collaboration with universities, research centres and business partners.

Johnson Matthey also benefits from Framework Seven programmes and finance. In 2012, 5 new projects were awarded with EC contributions of €1.8m, and since January 2013, 8 new projects have started with an EC contribution of €2.8m. We have 45 scientists working directly on Framework Seven programmes.

B: People

It is a key and fundamental part of Research and Development that a company must have access to the most highly talented people. The general structure of the EU, and the further widening of EU borders has enabled Johnson Matthey to recruit very high quality scientists beyond the narrower pool of UK science graduates. We truly value the diversity and quality

of the scientists we have been able to attract from all areas of the EU, notably Spain and Rumania in recent times.

C: Expertise

Within Framework 7 across Europe, Johnson Matthey works with 68 Universities, 70 Research Centres and Institutes, and with 92 industrial companies, including many SMEs. The Framework Seven initiative is particularly successful in encouraging R&D collaboration across academia and industry. Tremendous and successful connections have been made through this collaborative effort, with access enabled to the best people and the best equipment to pursue leading edge work.

D: Funding PhDs and post-doctoral Fellowships

We would also like to commend the value of the Marie-Curie scheme for funding PhDs and post-doctoral Fellowships. This funding encourages European mixing and we have had great success with scientists studying and completing PhD studies at our R&D facilities, and then going on to join us as successful full time employees

Q2 Where has the EU had a negative impact on R&D

We have no comments to make here, as we regard the overall EU impact as very highly beneficial.

Q3 How and where has UK engagement with partner countries or international bodies both within and outside the EU been helped or hindered by EU involvement

We have a number of R&D collaborations outside the European Union, including the USA, South Africa, Japan and Singapore. We have not found any EU related obstacles which have affected our ability to collaborate in these areas.

Q4 What benefits or difficulties has the objective of a European Research area (ERA) delivered for the UK?

No comment

Q5 How has the EU sought to coordinate the policy instruments at its disposal across different policy areas to create?

Our stance is that the job of government is to create the right conditions and then to do its best to keep out of the way. We are very happy that the funding environment and the collaborative environment have been very well designed. We contend that the EU has been successful in creating an enabling environment for researchers and innovators.

Future opportunities and challenges

Our overall view regarding the future has a number of strands. We have already emphasised the importance of access to funding, people and expertise, and it is critical that those elements are maintained. Beyond that, we have two other fundamental building blocks which are required to safeguard and develop the future of R&D in Europe, and to underpin the future economic success of the EU. The first is to maintain and enhance the high quality of education through schools and universities, in order that Europe has access to a continuous stream of new scientists with the capability and understanding required to make an immediate contribution to research and development projects. The second is to enhance and develop the framework to protect intellectual property, enabling companies to fully invest in R&D, with the correct prospects of receiving a return. We have commented more fully on patents and IP in a separate submission.

Q6 What could the EU most helpfully do to promote scientific and technological progress and innovation.

The question further references the degree of competence appropriate in these areas. We believe that the current level of hybrid competencies is correct. We fully support the Union having competence to define and implement programmes, but welcome the Article 4(3) clause which adds that 'the exercise of that (Union) competence shall not result in Member States being prevented from exercising theirs'.

Q7 Where might future EU level action be detrimental to R&D work?

No comment

Q8 Where might action at a national rather than EU level be more appropriate?

No comment, other than to say that hybrid competencies should be preserved.

Q9 How could EU and national policies and funding stream interact better?

No comment

Q10 What impact would any future enlargement of the EU have on this area of competence?

We have been highly impressed by the quality of scientists we have encountered in newly acceded states such as Rumania. From an R&D perspective, a broader EU provides an even deeper talent pool within the EU, and therefore from this perspective, enlargement of the EU is supportive to R&D.

Q11 What other points would you wish to make?

As stated in our introduction, our general stance is that the relation between the UK and the EU with respect to R&D is in our view a very positive relationship, with access to funding, expertise, quality people brought about through the mechanisms of the EU. The hybrid competency works.

Any questions, please contact

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