

Research on the construction of industrial R&D price index in China—taking large and medium-sized industry for example

Zhu Facang^{*}

Zhejiang Gongshang University, HangZhou, Zhejiang, China zhufacang01@163.com

Zhang Yan

Zhejiang Gongshang University, HangZhou, Zhejiang, China aure1987920@126.com

R&D price index, as an important deflator to deduct current R&D value into real term, is quite necessary for empirical researches and the establishment of the R&D Satellite Account. The paper elaborates the theory and empirical work of constructing the R&D input and output price indices for Chinese industry. According to the empirical result, 1998-2011, the R&D input price increased by 179.11 percentages, while the R&D output price increased by 190.82 percentages from the year 1998 to 2009 for the whole industry. Meanwhile, along with ascending of input indices and output indices, industry R&D intensity rose firstly, and then came down. Compared to the R&D price indices we built in this paper, traditional price indices such as PPI, CPI and the GDP deflator as well as the deflators constructed upon them which are used by many Chinese scholars are likely to overestimate real industrial R&D expenditures.

Key words: input price index, output price index, R&D