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## **U.S. LEADERSHIP POSITION IN NANOTECHNOLOGY IS UNDER THREAT**

Lux Research report and testimony delivered before Research Subcommittee of the House Science Committee hearing on nanotechnology

Washington, DC – June 29, 2005 – Lux Research, the world's leading nanotechnology research and advisory firm, has released a report which served as the basis of Vice President of Research Matthew M. Nordan's testimony before the Research Subcommittee of the House Science Committee's hearing on nanotechnology earlier today.

Based on Lux Research's proprietary analysis frameworks, "Nanotechnology: Where Does the U.S. Stand?" assesses how U.S. research and business activities in nanotech measure up to those of international competitors. The report finds that the U.S. is still ahead of the rest of the world in nanotech by almost every standard, from funding and investment to patents and publications, but cautions that several significant trends threaten that status.

"The U.S. leads the world in nanotechnology today, but its position is tenuous," said Nordan. "To maintain global leadership, U.S. policy makers must grow federal funding for nanotech research; eliminate regulatory uncertainty surrounding environmental, health, and safety issues; and do a better job of retaining foreign Ph.D. students. In addition, the U.S. must create financial incentives aligned with desirable applications and approach export controls sensibly."

The report notes that although the U.S. puts more government funding to work on nanotech research than any other country on an *absolute* basis, it has already fallen behind Asian competitors on a *relative* basis: When spending levels are corrected for purchasing-power parity, the U.S. invested \$5.42 per capita in government spending on nanotechnology in 2004, exceeded by South Korea at \$5.62, Japan at \$6.30, and Taiwan at \$9.40 – nearly twice the level of the U.S. In addition, other nations lead the U.S. in many promising nanotech applications, like using carbon nanotubes for displays, where even the U.S. Patent and Trademark Offices catalogues far more patents from Japan and South Korea than from the U.S.

The full report is publicly available for download at <http://www.luxresearchinc.com/testimony.pdf>. This and all other proprietary Lux Research reports are available immediately to clients of Lux Research's Nanotechnology Strategies advisory service. For information on how to become a client, contact Rob Burns, Vice President of Sales, at (646) 723-0708.

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