

GOVERNMENT OF INDIA
MINISTRY OF SCIENCE & TECHNOLOGY
DEPARTMENT OF SCIENCE & TECHNOLOGY
RAJYA SABHA
UNSTARRED QUESTION No. 1726
ANSWERED ON 03.08.2023

SPENDING ON RESEARCH AND DEVELOPMENT

1726. SHRI MASTHAN RAO BEEDA:

Will the Minister of Science and Technology be pleased to state:

- (a) the details of the spending done on Research and Development (R&D) in the last three years including as a percentage of GDP;
- (b) whether it is a fact that India's spending on R&D as a percentage of GDP is much lower than those in developed economies;
- (c) if so, the reasons for this low R&D spending;
- (d) whether Government has taken any steps to enhance R&D spending;
- (e) if so, the details thereof and if not, the reasons therefor; and
- (f) the steps taken by Government to attract private sector investment in the R&D segment?

ANSWER

MINISTER OF STATE (INDEPENDENT CHARGE)
FOR THE MINISTRY OF SCIENCE & TECHNOLOGY
(DR. JITENDRA SINGH)

(a), (b) & (c): As per the latest available R&D statistics, the national spending on research and development (R&D) measured in terms of Gross Expenditure on Research and Development (GERD) during the years 2018-19, 2019-20 and 2020-21 was Rs. 124740.14 crore, Rs. 132567.01 crore and Rs. 127380.96 crore respectively. India's GERD as a percentage of GDP during these years remained at 0.64% to 0.66% which is much lower than those of the developed economies mainly due to inadequate private sector investment into GERD.

(d), (e) & (f): The government has taken up several steps to enhance investment in R&D in the country. Some of the key efforts made by Government include: the successive increase in plan allocations for Scientific Departments, incentivizing investment by private sector to increase their share in GERD, introducing flexible tools for public procurement; creating avenues for collaborative STI funding through portfolio-based funding mechanisms such as Public-Private-Partnerships and other innovative hybrid funding mechanisms. The Government has allowed corporate sector to make R&D investments under the provision of Corporate Social Responsibility (CSR). Corporates can invest in technology business incubators or contribute in research efforts carried out by institutions and national research laboratories as a part of their CSR. There are specific investment incentives offered such as Location-based tax incentives that enables 100% deductions of profits generated from establishing and doing business in north-eastern states of India.
