

**GOVERNMENT OF INDIA
MINISTRY OF SCIENCE AND TECHNOLOGY
DEPARTMENT OF SCIENCE AND TECHNOLOGY
LOK SABHA
UNSTARRED QUESTION No. 4718
TO BE ANSWERED ON 29.3.2023**

R&D EXPENDITURE

**4718. SHRI Y.S. AVINASH REDDY:
SHRI KOMATI REDDY VENKAT REDDY:
SHRI MANNE SRINIVAS REDDY:**

Will the Minister of **SCIENCE AND TECHNOLOGY** विज्ञान और प्रौद्योगिकी मंत्री be pleased to state:

(a) whether the country's Research and Development (R&D) expenditure is very low as compared to major economies and is much below the world average of 1.8%, if so, the details thereof;

(b) whether the main reason is the low investment in R&D by the corporate sector as it accounts for about two-thirds of gross domestic expenditure on R&D in leading economies and its share in India is just 37% and if so, the details thereof since 2014 to till date; and

(c) the corrective steps being taken to encourage investment more in R&D by inviting the private players?

ANSWER

**MINISTER OF STATE (INDEPENDENT CHARGE) FOR THE
MINISTRY OF SCIENCE AND TECHNOLOGY AND EARTH SCIENCES
(DR. JITENDRA SINGH)**

विज्ञान और प्रौद्योगिकी तथा पृथ्वी विज्ञान मंत्रालय के राज्य मंत्री (स्वतंत्र प्रभार)
(डॉ. जितेंद्र सिंह)

(a)&(b) As per the latest available R&D statistics, the national expenditure on research and development measured as Gross Expenditure on Research and Development (GERD) in absolute terms has been continuously increasing over the years. However, the Gross Expenditure on Research and Development (GERD) measured as percentage of Gross Domestic Product (GDP) has been

hovering around 0.7 % during last few years and is below the world average. The reason behind this low GERD to GDP ratio is mainly due to inadequate corporate sector investment into GERD. The share of corporate sector in GERD has hovered around 34-38% during 2014-15 to 2020-21. The details are as under:

Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Corporate Sector Investment in GERD (Rs. Crore)	32538.39	36022.15	39124.71	41855.88	42489.95	44753.54	46388.13
% share of Corporate Sector in GERD	37	38	38	37	34	34	37

(c) The government has taken up several steps to encourage more 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 northeastern states of India.
