



# Low Expenditure on Research and Development

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According to the Research and Development Statistics, 2011-12 published by the Department of Science and Technology, India's R&D expenditure is around 0.88 per cent of GDP and number of R&D professionals per million population are 164.

The Government has proposed several measures during the last three years to increase the number of R&D professionals in the country. These include launching the: Atal Innovation Mission (AIM) in Budget 2015, which is an innovation promotion platform involving academics, entrepreneurs and researchers; Impacting Research Innovation and Technology (IMPRINT) in November, 2015, which is a PAN-IIT and IISc joint initiative to develop a road map for research; and Uchhatar Avishkar Yojana (UAY) in December, 2015, which is to promote innovation of a higher order to serve the needs of industry and promote a vibrant research ecosystem across IITs. Further, the Government has enhanced the budget allocation of the departments under the Ministry of Science & Technology during the last 3 years from Rs.8,768.36 crore in 2014-15 to Rs. 10,353.00 crore in 2016-17, which helped in supporting a larger number of R&D professionals in various S&T institutions spread across various states in the country under the departments.

During Budget 2016, the Government announced a reduction in weighted tax deduction on in-house R&D expenditure by industries from 200 per cent to 150 per cent from the financial year 2017-18 and 100 per cent beyond financial year 2019-20. The impact of this cut in R&D tax break cannot be assessed at this stage.

The measures taken by the Government to encourage private sector to increase expenditure towards R&D since 2014 include launching of initiatives, such as Make in India and Start-up India and supporting setting up of incubation centres for industries to up-scale their innovative ideas into products and services. Besides, the Government has been announcing a number of fiscal incentives for the private sector to increase R&D expenditure. These include, Weighted Tax deduction on expenditure incurred in approved in-house R&D facility by companies, Weighted Tax deduction for Sponsored Research Programmes in approved national laboratories, universities and IITs, Customs duty exemption on goods imported for R&D and Central excise duty waiver for 3 years on specified goods designed & developed by a wholly owned Indian company, national laboratory, public funded research institutions, or university and patented in any two countries from amongst India, USA, Japan and in any one country of the European Union.

This information was given by Minister of State for Science & Technology and Earth Sciences Shri Y.S.Choudhary in written reply to a question in Rajya Sabha today.

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