

**GOVERNMENT OF INDIA  
SCIENCE AND TECHNOLOGY  
LOK SABHA**

UNSTARRED QUESTION NO:5487  
ANSWERED ON:29.04.2003  
GDP ON RESEARCH AND DEVELOPMENT  
JAGMEET SINGH BRAR

**Will the Minister of SCIENCE AND TECHNOLOGY be pleased to state:**

- (a) whether the Government have set up a target of spending 2% of GDP on Research and Development (R&D);
- (b) if so, the actual percentage of expenditure to GDP spent on R&D during each year of last three years; and
- (c) the steps taken/proposed to be taken by the Government to achieve the target of 2% GDP during the current year?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF SCIENCE AND TECHNOLOGY(SHRI BACHI SINGH RAWAT)

(a) Yes, Sir.

(b) As per the latest available official statistics, the R&D expenditure as percentage of Gross National Product (GNP) for the years 1996-97, 1997-98 and 1998-99 was 0.72%, 0.77% and 0.81% respectively and the estimated figure for the year 2000-01 is 0.93%.

(c) The 'Science and Technology Policy 2003' announced by the Government envisages to raise the level of investment on Science and Technology to at least 2% by the end of 10th Plan with enhanced participation in R&D investment by industry. The 10th Plan S&T outlay for scientific agencies has been increased from Rs. 12022.17 Crores in 9th Plan to Rs. 25243.00 Crores. The Government has been encouraging investment on R&D both in industry and institutions through several fiscal incentives and other support measures such as income tax relief on R&D expenditure, weighted tax deduction for sponsored research, Custom Duty Exemption on goods imported for use in Government funded R&D projects, five year tax holiday for commercial R&D companies and National Awards for outstanding R&D.