

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

UNSTARRED QUESTION NO:2573
ANSWERED ON:16.12.2008
EXPENDITURE ON R & D FOR DRUGS
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Will the Minister of SCIENCE AND TECHNOLOGY be pleased to state:

- (a) the percentage of the expenditure incurred on research and development (R&D) on drugs being sold in the country;
- (b) whether the Government has conducted any survey in this regard;
- (c) if so, the findings and outcome of the survey;
- (d) whether the Government proposes to issue any directions to the drug manufacturing companies to enhance their spending on R&D for drugs;
- (e) if so, the details thereof; and
- (f) the action taken or proposed to be taken by the Government against companies manufacturing drugs without any research?

Answer

MINISTER OF SCIENCE AND TECHNOLOGY AND MINISTER OF EARTH SCIENCES(KAPIL SIBAL)

(a),(b) & (c) Although no specific survey on R&D on drugs being sold in the country has been conducted, the percentage of expenditure incurred on R&D by the drugs and pharmaceutical industry in the country during 2005-06 was around 3.83% of the annual sales turnover according to a biennial national survey launched by the Department of Science and Technology in September, 2006 on resources devoted to S&T activities.

(d) & (e) Government is urging industry to enhance their spending on R&D in general, including that on drugs. Government has been announcing various fiscal incentives from time to time e.g. 150% weighted tax deduction on R&D expenditure under section 35(2AB) of I.T. Act, 1961, duty free import of select equipment for R&D as well as for manufacturing and duty free import of pharmaceutical reference standards etc.

(f) Expenditure on research by companies manufacturing drugs is driven by their own business and economic strategies as well as competitive market forces. There can be no specific action by the Government in respect of these companies.