

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

UNSTARRED QUESTION NO:3459
ANSWERED ON:15.12.2006
DEVELOPMENT IN BIO TECHNOLOGY
Rao Shri Kavuru Samba Siva

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

- (a) the allocation of funds for the development of bio-technology during each of the last three years ;
- (b) the performance and prospective expansion plans of bio-tech sector ;
- (c) whether the Government proposes to invite and encourage private sector for larger investments in this sector; and
- (d) if so, the details thereof ?

Answer

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

(a) The allocation of plan funds in so far as Department of Biotechnology, Ministry of Science and Technology, Government of India for the last three years was Rs.521 crores in 2006-2007; Rs.445 crores in 2005-2006; and Rs.310 crores in 2004-2005. The expenditure was incurred on R&D, product and process development, establishment of biotechnology parks and clusters in areas of biotechnology applications in Agriculture, Health-care, Environment and Industrial development. Besides, the Department of Biotechnology, other S&T agencies like Council for Scientific and Industrial Research (CSIR), Department of Science & Technology (DST), Indian Council of Agriculture Research (ICAR) and Indian Council of Medical Research (ICMR) also support biotechnology R&D and applications.

(b) The performance of the various programmes and projects are available in detail in the Annual Reports of the Department of Biotechnology posted at the website: www.dbtindia.nic.in. In general, the biotechnology sector is developing at a satisfactory rate in terms of infrastructure, patents, publications and product development specially in case of vaccines and diagnostics for communicable diseases, bio-pharmaceuticals, genetically modified crops, biopesticides and biofertilisers. The biotech industry revenues are closer to Rs.6521 crores in 2005-2006 with an annual growth rate of 37.42% over previous years. A National Biotechnology Development Strategy has been formulated for major expansion in human resource development, industrial promotion and development, sectoral R&D for technology development, establishment of new institutes in cutting edge areas of biotechnology and streamlining of regulatory system.

(c) & (d) Yes Sir, the Government has taken special measures to promote the biotechnology industry and to facilitate increase in turnover of biotech sector. Initiatives have been taken to provide an enabling environment for industrial growth such as exemption of biotech sector from compulsory licensing;

permitting 100% FDI; reducing the area of SEZ to bring it at par with IT sector; providing fiscal incentives to recognised in-house R&D of industries in terms of exemption of custom duty on capital goods, reduction in import duty and 150% weighted deduction against expenditure incurred on R&D. To encourage public- private partnerships for joint R&D and technology development, soft loans are provided by Technology Development Board of Department of Science & Technology as well as under New Millennium Indian Technology Leadership Initiative (NMITLI), CSIR. Recently, Department of Biotechnology has launched a novel scheme "Small Business Innovative Research Initiative" to provide grant and soft loan for strengthening R&D and product development in small and medium biotech industries.