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Indian decision may slow investment



It is feared the Indian government's decision to postpone the introduction of Bt brinjal will discourage private investment

India's decision to defer the launch of the genetically modified (GM) crop Bt brinjal has cast a shadow over the country's US\$500m biotechnology industry, according to experts.

This week the Indian government proposed a six-month moratorium on the introduction of the crop to allow further safety testing to be carried out.

India favours partnerships between government and private firms when it comes to research and development in the agricultural sector, and at the moment other GM crops such as rice, tomato, corn and groundnut are being trialled.

The fear is that this week's decision will discourage investment in the sector, according to RK Sinha, executive director of the National Seeds Association of India.

"I think crucial private initiative will slow down," he told the Hindustan Times.

"It is a setback because domestic capability on GM is not enough. To rely solely on state-owned biotech initiatives will not be conducive to Indian agriculture."

India's farm policy promotes GM crops in light of the nation's precarious food situation, where demand

outstrips production, and the country has allowed GM cotton since 2002, making it the world's second-largest cotton producer.

A few multi-national companies are involved in India's biotechnology sector, including Syngenta, Monsanto, Dow Agro, Bayer and Dupont.

According to estimates, private companies contribute around \$250m annually to Indian biotechnology research.