

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA

UNSTARRED QUESTION NO. 4861
TO BE ANSWERED ON 31st March, 2023

SELF-RELIANCE IN DEFENCE MANUFACTURING

4861. SHRI NALIN KUMAR KATEEL:
SHRI PARVESH SAHIB SINGH VERMA:
SHRI D.K. SURESH:
SHRI S. JAGATHRAKSHAKAN:

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has taken policy initiatives to encourage indigenous design, development and manufacture of defence equipment for promoting self-reliance in defence manufacturing in the country, if so, the details thereof;
- (b) whether the Government has set any target to generate employment opportunities with the new initiatives, if so, the details thereof along with the total number of employment generated by these new initiatives in the defence sector;
- (c) whether the Government has signed an Inter-Governmental Agreement to help in the innovation and development of indigenous technology, if so, the details thereof;
- (d) whether the Atmanirbhar Bharat initiative has helped the country transform from being an importer of weapons and defence related equipment to an exporter; and
- (e) if so, the details thereof and if not, the reasons therefor?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) & (b): Several policy initiatives and reforms have been taken by Government in the past few years to encourage indigenous design, development and manufacture of defence equipment, thereby promoting self-reliance in defence manufacturing in the country. These initiatives, inter-alia, include according priority to procurement of capital items from domestic sources under Defence Acquisition Procedure (DAP)-2020; Notification of four 'Positive Indigenization Lists' of total 411 items of Services and three 'Positive Indigenization Lists' of total 3738 items of Defence Public Sector Undertakings(DPSUs), for which there would be an embargo on the import beyond the timelines indicated against them; Simplification of

Industrial licensing process with longer validity period; Liberalization of Foreign Direct Investment(FDI) policy allowing 74% FDI under automatic route; Simplification of Make Procedure; Launch of Mission DefSpace; Launch of Innovations for Defence Excellence (iDEX) scheme involving startups & Micro, Small and Medium Enterprises (MSMEs); Implementation of Public Procurement (Preference to Make in India) Order 2017; Launch of an indigenization portal namely SRIJAN to facilitate indigenisation by Indian Industry including MSMEs; Reforms in Offset policy with thrust on attracting investment and Transfer of Technology for Defence manufacturing by assigning higher multipliers; and Establishment of two Defence Industrial Corridors, one each in Uttar Pradesh and Tamil Nadu; Opening up of Defence Research & Development (R&D) for industry, startups and academia with 25 percent of defence R&D budget; Progressive increase in allocation of Defence Budget of military modernization for procurement from domestic sources, etc. These policy initiatives have given a push to the growth of Industries including MSMEs in defence sector which have created tremendous employment opportunities. However, no employment data is maintained by Ministry of Defence.

(c): The information cannot be shared being strategic and sensitive in nature.

(d) & (e): The Atmanirbhar Bharat initiatives has helped the country by encouraging indigenous design, development and manufacture of defence equipment in the country, thereby reducing dependency on imports in long run. The expenditure on defence procurement from foreign sources has reduced from 46% of overall expenditure in 2018-19 to 36.7% in December, 2022. Moreover, the indian defence export has risen by more than 8 times since 2016-17. In 2016-17, the defence exports were worth Rs. 1,522 crore which has gone up to Rs. 13,800 crore till date.
