

GOVERNMENT OF INDIA  
MINISTRY OF DEFENCE  
DEPARTMENT OF DEFENCE PRODUCTION  
**LOK SABHA**  
**UNSTARRED QUESTION NO.2117**  
TO BE ANSWERED ON 10<sup>th</sup> DECEMBER, 2021

**EXPORT OF DEFENCE EQUIPMENT**

2117. SHRI MANOJ KOTAK:  
SHRI MALOOK NAGAR:  
SHRIMATI RAKSHA NIKHIL KHADSE:

Will the Minister of DEFENCE  
be pleased to state:

- (a) whether India's defence exports has increased more than seven times during the last seven years;
- (b) if so, the details of defence exports during the last five years;
- (c) whether the Government has formulated any policy regarding export of defence equipment manufactured under 'Make in India' programme;
- (d) if so, the details thereof along with the steps taken to promote exporters of defence equipment;
- (e) whether any target has been fixed for export of defence equipment, if so, the details thereof; and
- (f) whether the manufacturers of defence equipment are likely to be granted permission to directly sell their products outside the country without any Government partnership and if so, the details thereof?

**A N S W E R**

MINISTER OF STATE  
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

- (a) & (b): Since 2016-17 to 2018-19, the Defence Exports increased by almost seven times. The details of exports of last five years is as follows: -

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	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>
<b>Total Export value (in Crores)</b>	1521.91	4682.36	10745.77	9115.55	8434.84

- (c) to (e) Many reforms/steps have been taken to boost Defence exports and bring ease of doing business in recent times. A statement is attached.
- (f) Export of Munitions List Items specified in Category 6 of Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) is restricted. DGFT has delegated powers to Department of Defence Production to grant authorisation for export of items covered in Category 6 of SCOMET. The authorisation for export of items covered in Category 6 of SCOMET is granted in accordance with the provisions of the Standard Operating Procedure issued by the Department of Defence Production (DDP), Ministry of Defence.

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**STATEMENT REFERRED TO IN REPLY TO PART (c) TO (e) OF LOK SABHA**  
**UNSTARRED QUESTION NO. 2117 FOR ANSWER ON 10.12.2021 REGARDING**  
**‘EXPORT OF DEFENCE EQUIPMENT’**

- (i) Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) Category 6 titled “Munitions List” that was hitherto “Reserved” has been populated and Military Stores list notified vide Notification No.115(RE-2013)/2009-2014 dated 13<sup>th</sup> March 2015 stands rescinded.
- (ii) The Director General of Foreign Trade (DGFT) vide Public Notice No. 4/2015-20 dated 24<sup>th</sup> April, 2017 has delegated its authority and notified Department of Defence Production(DDP) as the Licensing Authority for export items in Category 6 of SCOMET. The export of items specified in Category 6 (Munitions List) except those covered under Notes 2 & 3 of Commodity Identification Note (CIN) of the SCOMET is now governed by the Standard Operating Procedure issued by the Department of Defence Production (DDP), Ministry of Defence.
- (iii) Standard Operating Procedure (SOP) for the export of munitions list items have been simplified and placed on the website of the DDP.
- (iv) A completely end-to-end online portal for receiving and processing export authorisation permission has been developed. The applications submitted on this portal are digitally signed and the authorisation are also issued digitally, at faster pace.
- (v) In repeat orders of same product to the same entity, consultation process has been done away with and permission is issued immediately. For the repeat order of same product to different entity, the consultation earlier done with all stakeholders is now limited only with MEA.
- (vi) In Intra-Company business (which is especially relevant for outsourcing of work by defence related parent company abroad to its subsidiary in India), the earlier requirement of getting End User Certificate (EUC) from the Government of importing country has been done away with and ‘Buying’ Company is authorized to issue the EUC.

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- (vii) The requirement of Government signed EUC in cases of providing engineering services (ToT related to Munitions List) to Wassenaar Arrangement (WA) Countries has been dispensed with.
- (viii) Legitimate export of systems/platforms for civil end use to WA Member countries is considered subject to submission of EUC or import certificate or equivalent document issued by the Government of importing country.
- (ix) The legitimate export of the parts and components of small arms and body armour for civil use are now being permitted after prior consultation with MEA.
- (x) For export of items for exhibition purposes, the requirement of consultation with stakeholders has been done away with (except for select countries).
- (xi) Powers have been delegated to DRDO and CMDs of DPSUs for exploring export opportunities and participation in global tenders.
- (xii) New simplified End User Certificate Format for Parts & Components has been provided in SOP.
- (xiii) Validity of Export Authorization for export of parts & components has been increased from 02 years to date of completion of order/component whichever is later.
- (xiv) A new provision for re-exporting parts and components for undertaking repair or rework to provide replacement for a component under warranty obligation is inserted in the SOP as a sub-classification of repeat orders.
- (xv) MHA vide Notification dated 1.11.2018 has delegated its powers to Department of Defence Production to issue export license under Arms Rules 2016 in Form X-A, for parts & components of small arms. With this the Department of Defence Production becomes the single point of contact for exporter for export of parts and components of Small Arms & Ammunitions.
- (xvi) The Government has notified the Open General Export License (OGEL) - a one time export license, which permits the industry to export specified items to specified destinations, enumerated in the OGEL, without seeking export authorisation during the validity of the OGEL. OGEL has been integrated with end to end online Portal.

- (xvii) Scheme for Promotion of Defence Exports has been notified to provide an opportunity to the prospective exporters an option to get their product certified by the Govt. and provides access to the testing infrastructure of Ministry of Defence for initial validation of the product and its subsequent field trials. The certificate can be produced by the prospective exporter for marketing their products suitably in the global market.
- (xviii) A separate Cell has been formed in the Department of Defence Production to co-ordinate and follow up on export related action including enquiries received from various countries, sharing the leads with private sector & public sector companies and facilitate exports.
- (xix) In order to boost defence exports, regular webinars are being organized with Friendly Foreign Countries (FFCs) under the aegis of DDP, MoD through Indian Missions abroad and Industry Associations with active participation from Indian Defence Industries.
- (xx) A Scheme to provide financial support to Defence Attaches for taking up actions for promoting exports of India made defence products both of public and private sector in the countries to which they are attached has been notified.

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