

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
UNSTARRED QUESTION NO. 3794
TO BE ANSWERED ON 25TH MARCH, 2022

EXPORT OF DEFENCE EQUIPMENT

3794. SHRIMATI RANJANBEN DHANANJAY BHATT:
SHRI Y.S. AVINASH REDDY:

Will the Minister of Defence be pleased to state:

- (a) the growth in India's defence exports noticed since 2014 to till date along with the factors which contributed to such growth;
- (b) the revenue generated from such exports during the said period, year-wise and item-wise; and
- (c) the steps taken by the Government to increase the export of defence equipment?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) to (c): Since 2014 till date, the value of Defence Exports of India has grown approximately by six times. The year-wise details of value of exports are as follows:

(Rs. in crore)

Year	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 (till 21.03.2022)
Export value	1941	2059	1522	4682	10746	9116	8435	11607

The details of items cannot be shared in the interest of national security.

Further, during the period, many reforms/steps have been taken up by the Government to boost Defence exports and enhance ease of doing business. A statement highlighting such actions is attached.

STATEMENT REFERRED TO IN REPLY TO PART (a) to (c) OF LOK SABHA UNSTARRED QUESTION NO. 3794 FOR ANSWER ON 25.03.2022 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populated and Military Stores list notified vide Notification No.115(RE-2013)/2009-2014 dated 13th March 2015 stands rescinded.
- (ii) The Director General of Foreign Trade (DGFT) vide Public Notice No. 4/2015-20 dated 24th 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.
- (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) - 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 coordinate 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.

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- (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.
- (xxi) To enhance functional autonomy, efficiency and unleash new growth potential and innovation in Ordnance Factories, the Government has corporatized 41 Ordnance Factories into seven Defence Public Sector Units (DPSUs), 100% Government owned corporate entity (ies).
