

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

**STARRED QUESTION NO.83**

TO BE ANSWERED ON THE 29<sup>TH</sup> APRIL, 2016

**SELF SUFFICIENCY IN DEFENCE**

\*83. SHRI NITYANAND RAI:

Will the Minister of DEFENCE j{k k ea=h  
be pleased to state:

- (a) whether the country has attained self-sufficiency in the defence production, if so, the details thereof along with the imports made during the last three years, year-wise and country-wise;
- (b) whether the Government has fixed any target for import of defence equipment for the current and the next two years; and
- (c) if so, the details thereof along with the year-wise budget earmarked for the purpose?

**A N S W E R**

MINISTER OF DEFENCE

(SHRI MANOHAR PARRIKAR)

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**(a) to (c): A Statement is laid on the Table of the House.**

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**STATEMENT REFERRED TO IN REPLY TO PARTS (a) to (c) OF LOK SABHA  
STARRED QUESTION NO. 83 FOR ANSWER ON 29.04.2016**

**(a) to (c):** A number of measures have already been taken to achieve Self Sufficiency in defence production by harnessing the capabilities of the public and private sector. These measures include according priority and preference to procurement from Indian vendors, liberalization of the licensing regime and providing access to modern and state-of-the-art technology to Indian industry by raising the cap on FDI in the defence sector. At present, majority of the naval ships and submarines are constructed in Indian shipyards. During the last three years, over 75% of the total expenditure by the Indian Army on capital acquisition has been for orders placed on Indian firms.

The new Defence Procurement Procedure 2016 (DPP 2016) has been promulgated for Capital procurements and has come into effect from 1<sup>st</sup> April 2016. DPP 2016 gives strong support to “Make in India” by according the highest priority to Buy Indian (Designed, Developed and Manufactured) (IDDM). It also focuses on enhancement and rationalization of indigenous content. The ‘Make’ Procedure has been simplified with provisions for earmarking projects not exceeding development cost of Rs. 10 crores (government funded) and Rs. 3 crores (industry funded) for MSMEs; and with provisions for involving private industry as production agencies and technology transfer partners.

The expenditure in respect of orders placed on foreign vendors, primarily from countries such as USA, Russia, Israel and France, has reduced from Rs. 35082.10 crore in 2013-14 to Rs. 24992.36 crore in 2014-15 and Rs. 22422.12 crore in 2015-16. Even in cases where current operational exigencies necessitate import of defence equipment, efforts are made, where possible, to ensure the involvement of Indian industries as production agencies, offset partners etc. No target is fixed for import of defence equipment and therefore, no separate budgetary allocation is made against such targets.

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