

employment opportunities, saving of foreign exchange and increasing indigenization. FDI is one of the sources available for the industry to access some of the technologies required to indigenously design, develop and produce the equipments, weapon systems/ platforms required for defence. As per the data furnished by 37 companies operating in Defence and Aerospace sector, so far, FDI inflows of over ₹1561 crores have been reported in defence and aerospace sector after 2014 under automatic route.

The Government reviews the FDI policy in all sectors including defence on an ongoing basis and makes changes from time to time, to ensure that India remains an attractive & investor friendly destination. It has been the endeavour of the Government to put in place an enabling and investor friendly FDI policy. The intent is to make the FDI policy more investor friendly and remove the policy bottlenecks that have been hindering investment inflows into the country.

Budget allocated for defence products manufactured in the country

2413. SHRI K.J. ALPHONS: Will the Minister of DEFENCE be pleased to state:

- (a) percentage of budget allocated to products manufactured in the country out of the Total budget for purchase of equipment by Ministry; and
- (b) whether the percentage has gone up during the past five years and if so, the details of year-wise increase?

THE MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI SHRIPAD YESSO NAIK): (a) and (b) Indigenously manufactured equipments are procured to the maximum extent possible, keeping in view the requirement of operational preparedness.

The percentage of Contracts to Indian Vendors has increased from 39.06% in 2015-16 to 75.03% in 2019-20 (Table below).

	(₹ in crores)				
Year	2015-16	2016-17	2017-18	2018-19	2019-20 (upto 31.01.2020)
Details of Contract to Indian vendors	18705.54	13429.91	33335.84	30171.15	43395.59
TOTAL contracts	47877.29	94559.53	40690.97	80413.56	57834.89