

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
RAJYA SABHA
UNSTARRED QUESTION NO. 1327
TO BE ANSWERED ON 13th March, 2023

MANUFACTURE AND EXPORT OF DEFENCE EQUIPMENT

1327. SHRI KARTIKEYA SHARMA:

Will the Minister of Defence be pleased to state:

- (a) the achievements made by Government in the last five years in the manufacturing of defence equipment under the "Make In India" scheme;
- (b) whether it is proposed to set up any factory in Haryana under this scheme in the field of defence equipment and if so, the details thereof;
- (c) whether Government has succeeded in reducing the import of defence equipment and if so, the details thereof; and
- (d) whether the export of arms made under the "Make In India" scheme is increasing in the last five years, if so, details thereof, year-wise?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a): Many significant projects including 155mm Artillery Gun system 'Dhanush', Light Combat Aircraft 'Tejas', Surface to Air Missile system 'Akash', Main Battle Tank 'Arjun', T-90 Tank, T-72 Tank, Armoured Personnel Carrier 'BMP-II/IIK', Su-30 MK1, Cheetah Helicopter, Advanced Light Helicopter, Dornier Do-228, High Mobility Trucks, INS Kalvari, INS Khanderi, INS Chennai, Anti-Submarine Warfare Corvette (ASWC), Arjun Armoured Repair and Recovery Vehicle, Bridge Laying Tank, Bi-Modular Charge System (BMCS) for 155mm Ammunition, Medium Bullet Proof Vehicle (MBPV), Weapon Locating Radar (WLR), Integrated Air Command and Control System (IACCS), Software Defined Radios (SDR), Lakshya Parachute for Pilotless Target Aircraft, Opto Electronic Sights for Battle Tanks, Water Jet Fast Attack Craft, Inshore Patrol Vessel, Offshore Patrol Vessel, Fast Interceptor Boat, Landing Craft Utility, 25 T Tugs, etc. have been produced in the country during the last few years.

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(b): Defence Industry sector was opened up in May 2001 upto 100% for Indian private sector participation. Since the opening up of Defence sector till January, 2023, a total of 47 Industrial Licenses have been issued to 34 companies located in the state of Haryana for manufacture of various defence products such as Fuzes, Night vision Devices, Bullet Proof Vest/Jacket etc.

(c): Under these programs, the Government has taken several policy initiatives in the past few years and brought in reforms to encourage indigenous design, development and manufacture of defence equipment, there by 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 are aimed at 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.

(d): Department of Defence Production issues authorization for export of Munitions List items covered in Category 6 of Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET), for which the exports have increased from Rs. 4,682 Crore in 2017-18 to Rs. 13398.65 Crore in 2022-23 (till 06 Mar 2023). The year-wise details of exports in last 5 years and current year till date are as below:

Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23 (till 6.3.23)
Total Value of Export Authorization (In Rs. Crore)	4,682	10,746	9,116	8,435	12,815	13,398.65
