

GOVERNMENT OF INDIA
MINISTRY OF DEFENCE
DEPARTMENT OF DEFENCE PRODUCTION
LOK SABHA
UNSTARRED QUESTION NO. 1228
TO BE ANSWERED ON 09th February, 2024

FDI IN DEFENCE SECTOR

1228. SHRI VINOD L. CHAVDA:

Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government is making efforts to promote Foreign Direct Investment (FDI) in Defence sector in view of meager FDI inflows in the same;
- (b) if so, the details thereof; and
- (c) if not, the reasons therefor?

A N S W E R

MINISTER OF STATE
IN THE MINISTRY OF DEFENCE

(SHRI AJAY BHATT)

(a) to (c): Defence Industry sector was opened up in May 2001 for private sector participation. FDI limit in Defence sector was enhanced in 2020 up to 74% through the Automatic Route for companies seeking new defence industrial license and up to 100% by Government Route wherever it is likely to result in access to modern technology. So far, Rs. 5077 crores worth of FDI has been reported by companies operating in Defence sector.

Further, Government also promotes co-development and co-production of niche defence technologies with Foreign Original Equipment Manufacturers (FOEMs) to encourage FDI in Defence sector.
