

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:231

ANSWERED ON:20.10.2008

FDI IN DEFENCE SECTOR

Bangaru Smt. Susheela Laxman;Nayak Shri Ananta

**Will the Minister of DEFENCE be pleased to state:**

(a) whether the Government has proposed some fresh guidelines to allow 49 per cent Foreign Direct Investment (FDI) in the Defence Sector as against the existing 26 per cent;

(b) if so, the details thereof; and

(c) the countries with which negotiations have been made and the steps taken to make the entire procedure transparent?

**Answer**

MINISTER OF STATE FOR DEFENCE PRODUCTION(RAO INDERJIT SINGH)

(a) & (b): As per extant policy Indian private sector participation is allowed up to 100% in defence industry sector with FDI up to 26%, both subject to licensing. At present Government has no proposal to increase the present level of FDI from 26% to 49% in the sector.

(c) Does not arise.