

**GOVERNMENT OF INDIA  
EXTERNAL AFFAIRS  
LOK SABHA**

UNSTARRED QUESTION NO:1654  
ANSWERED ON:04.08.2010  
INDO-US STRATEGIC DIALOGUE  
Rao Shri Sambasiva Rayapati

**Will the Minister of EXTERNAL AFFAIRS be pleased to state:**

- (a) whether in view of the improving Indo-US relationships, a new momentum with strategic dialogue, it makes no sense to keep vital research organizations like ISRO and DRDO in the entities list;
- (b) if so, the details thereof and the response of the USA thereto;
- (c) whether the Union Government has invited US companies to invest in defence sector in the country and assured major liberalization in the FDI policy; and
- (d) if so, the extent to which the US has agreed to enter in the defence sector in India?

**Answer**

THE MINISTER OF EXTERNAL AFFAIRS (SHRI S.M. KRISHNA)

(a) & (b) During the recent India US Strategic Dialogue, both Governments underlined the importance of facilitating cooperation in strategic and high technology sectors as a key instrument to achieve the full potential of the strategic partnership. They confirmed the shared objective of a strong 21st century partnership in high technology and committed to approach the issue of export controls in the spirit of the strategic partnership between the two countries. The issue of removal of Indian entities, including ISRO and DRDO centres, from the US entity list is presently under discussion with the US Government.

(c) & (d) The FDI cap for foreign investments in defence sector is 26%. No special dispensation has been made for US Government or US companies.