

**GOVERNMENT OF INDIA  
DEFENCE  
LOK SABHA**

UNSTARRED QUESTION NO:2025

ANSWERED ON:22.11.2010

FDI IN DEFENCE PRODUCTION

Deora Shri Milind Murl;Kanubhai Patel Jayshreeben;Patil Shri Sanjay Dina

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

- (a) whether the Government proposes to open up defence production to greater inflow of Foreign Direct Investment (FDI);
- (b) if so, the details thereof including the proposed increase in FDI and reasons therefor;
- (c) the benefits likely to be achieved in indigenisation of defence production;
- (d) whether the Government proposes to reduce the import and investment hurdles faced by dual use technology; and
- (e) if so, the details thereof and if not, the reasons therefor?

**Answer**

MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI M.M. PALLAM RAJU)

(a) No, Madam.

(b) Does not arise in view of reply to (a) above.

(c) to (e): Government has a policy of moving towards greater self-reliance in defence production. To this end DPP-2008 has been amended to include `Buy & Make (Indian)` category of procurement in 2009. More & more defence equipment is being procured through `Buy (Indian)` `Make` and `Buy & Make (Indian)` category of Acquisition procedure. We are also actively encouraging greater participation of the private sector in defence production.