

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1096
ANSWERED ON:13.07.2009
INDIGENOUS DEFENCE PRODUCTION
Rao Shri Kavuri Samba Siva

Will the Minister of DEFENCE be pleased to state:

- (a) the details of indigenous production of defence equipment at present;
- (b) the long-term perspective plans to achieve self-sufficiency in defence production;
- (c) the action taken to set up new industries and units with higher Foreign Direct Investment (FDI) so as to draw industrial, economic and technological advantages;
- (d) whether the Government proposes to encourage foreign investors in defence production; and
- (e) if so, the details thereof including the benefits to be achieved therefrom?

Answer

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

(a) The indigenous production of defence equipments related to Ordnance is done by Ordnance Factories; Aircraft and Avionics by Hindustan Aeronautics Limited; Communication and Electronics by Bharat Electronics Limited; Heavy Engineering by BEML Limited; Missiles by Bharat Dynamics Limited; Alloys and Special Metals by Mishra Dhatu Nigam Limited; Warship Building by Mazagon Dock Limited, Goa Shipyard Limited and Garden Reach Shipbuilders & Engineers Limited; and also with private sector participation.

(b) Ministry of Defence is constantly working towards self sufficiency in Defence Production through Research & Development, modernization, transfer of technology and private sector participation.

(c) to (e): The defence industry sector has been opened up for FDI with a sectoral cap of 26% of equity since 2001. As a result there are some joint ventures in public & private sector.

Government's endeavour is to reduce dependence on import of defence equipment to the extent possible for defence preparedness by encouraging indigenization and joint ventures in defence sector.