

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:3894

ANSWERED ON:14.12.2009

OFFSET AGREEMENTS UNDER DEFENCE PROCUREMENT POLICY

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Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government has signed offset agreements with foreign companies under the new defence procurement policy;
- (b) if so, the details thereof;
- (c) the companies with which the said agreements have been signed; and
- (d) the benefits likely to be gained as a result thereof?

Answer

MINISTER OF DEFENCE(SHRI A.K. ANTONY)

(a) to (c): About 10 offset contracts have been signed so far under the extant Defence Procurement Procedure. The companies with whom the offset contracts have been signed include M/s Rosoboronexport Russia, M/s RAC MiG Russia, M/s Fincantieri Italy, M/s Lockheed Martin USA, M/s Boeing USA, M/s Elta Israel, M/s Israel Aerospace Industries Israel and M/s Rafael Israel. The estimated value of the offsets involved in these contracts is over Rs.8909 crores.

(d) Implementation of the offsets is expected to result in expanding and enhancing the manufacturing infrastructure and technical knowledge necessary for indigenous manufacture of weapon systems required by the Armed Forces. The benefits of offsets accrue to both Defence Public Sector Undertaking as well as to private Indian Industry engaged in the manufacture of defence systems and equipment.