

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1009

ANSWERED ON:12.08.2013

FDI IN DEFENCE PRODUCTION

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Will the Minister of DEFENCE be pleased to state:

- (a) whether the Government proposes to set up the military manufacturing hub in Special Economic Zone (SEZ) in the country;
- (b) if so, the details thereof, State-wise;
- (c) whether the Government proposes 100 per cent Foreign Direct Investment (FDI) in defence units located in such SEZ;
- (d) if so, the details thereof along with the reasons therefor; and
- (e) the steps taken by the Government to avert its adverse impact on indigenous defence production?

Answer

MINISTER OF STATE IN THE MINISTRY OF DEFENCE (SHRI JITENDRA SINGH)

(a) & (b) There is no such proposal with this Ministry.

(c) to (e) FDI up to 26% is permissible in the defence sector. However, wherever FDI beyond 26% is likely to result in access to modern and state-of-the-art technology into the country, decisions can be taken to allow higher FDI on a case-to-case basis, with approval of the Cabinet Committee on Security.