

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1105
ANSWERED ON:28.11.2014
EXPORT OF DEFENCE EQUIPMENT
Singh Shri Bharat

Will the Minister of DEFENCE be pleased to state:

- (a) the value of defence equipment exported during the last three years and the current year;
- (b) whether the Government has taken steps to improve research and development for increasing export of defence equipment;
- (c) if so, the details thereof; and
- (d) the steps being taken for improving partnership of private sector in the Defence sector?

Answer

MINISTER OF STATE (RAO INDERJIT SINGH) IN THE MINISTRY OF DEFENCE

(a) to (d): A Statement is attached.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF LOK SABHA UNSTARRED QUESTION NO. 1105 FOR ANSWER ON 28.11.2014

(a) The value of defence equipment exported during the last three years and the current year by Defence Public Sector Undertakings (DPSUs) / Ordnance Factory Board (OFB) and Private Industry (based on the NOCs issued by the Ministry of Defence) are as under:-

Sl. No.	Year	Value (Rs. in Crore)
1.	2011-12	512.48
2.	2012-13	446.75
3.	2013-14	686.27
4.	2014-15 (September 2014)	166.67 (Prov.)

(b) & (c): In the Union Budget 2014-15, Government has announced a Technology Development Fund with an initial sum of Rs.100 Crore to provide necessary resources to public and private sector companies, including Small And Medium-sized Enterprises (SMEs) as well as academic and scientific institutions to support research and development of Defence Systems that enhance cutting edge technology capability in the country.

(d) The steps taken by the Government for the participation of private sector in defence manufacture are as under:-

(1) The Defence Production Policy, 2011 aims at achieving substantive self-reliance in the design, development and production of equipment / weapon systems / platforms required for defence in as early a time frame as possible; creating conditions conducive for the private industry to take an active role in this endeavour; enhancing potential of SMEs in indigenization and broadening the defence R&D base of the country.

(2) In pursuance of the Defence Production Policy 2011, the Government has taken the following major steps to promote the participation of private sector in the indigenous production of Defence equipment;

(i) Technology Perspective and Capability Roadmap (TPCR), which gives out the details of the equipment and technologies required by our Armed Forces, has been put in public domain to provide the industry an overview of the direction in which the Armed Forces intend to head in terms of capability in future.

(ii) Preference to 'Buy (Indian)', 'Buy & Make (Indian)' & 'Make' categories of acquisition over 'Buy (Global)' category, thereby giving preference to Indian industry in procurement.

(iii) The procedure for 'Buy and Make (Indian)' category, has been further simplified in order to make the category more attractive for Indian Defence Industry.

(iv) A clear definition of indigenous content has been provided which would not only bring more clarity on the indigenous content required for defence categorization, but also enhance the indigenization in defence products in India.

(v) Indian private sector industry has also been allowed to receive Maintenance Transfer of Technology (MTOT) in 'Buy (Global)' cases.

(vi) FDI Policy in Defence sector has been reviewed and as per the new policy, composite foreign investment up to 49% has been allowed through FIPB route and beyond 49% with the approval of Cabinet Committee on Security (CCS).

(vii) Defence Products List for the purpose of industrial licensing has been revised and in the revised list most of the components / parts / raw materials have been taken out of the purview of industrial licensing.

(viii) Defence Exports Strategy has been formulated and put in public domain. The Standard Operating Procedure (SOP) for issuing NOC for export of military stores has been simplified and process for issuing NOC has been made online.