

**GOVERNMENT OF INDIA
DEFENCE
LOK SABHA**

UNSTARRED QUESTION NO:1438

ANSWERED ON:18.07.2014

INDIGENISATION OF DEFENCE PRODUCTION

Chavan Shri Ashok Shankarrao;Kataria Shri Rattan Lal;Mahadik Shri Dhananjay Bhimrao;Satav Shri Rajeev Shankarrao

Will the Minister of DEFENCE be pleased to state:

- (a) whether a large number of defence equipment including military hardware and software are imported in the country;
- (b) if so, the details thereof and the reasons therefor;
- (c) whether the Government proposes to promote indigenisation of defence production by involving private sector;
- (d) if so, the details thereof; and
- (e) the measures taken or being taken by the Government in this regard?

Answer

MINISTER OF DEFENCE (SHRI ARUN JAITLEY)

(a) & (b): The proportion of expenditure in respect of orders placed on foreign vendors to the total expenditure on defence equipment for Capital Acquisition during the financial year 2013-14 is 42.7% for three services.

(c) to (e): The Government has taken several steps to promote participation of private sector in defence production. These measures, inter alia, include promulgation of Defence Production Policy 2011, Foreign Direct Investment (FDI) in defence and emphasis in the Defence Procurement Procedure-2013 on providing the desired boost to the Indigenous Defence Industry by mandating a higher preference to the "Buy (Indian), Buy and Make (Indian)" and 'Make' categorisations in Capital procurement".