

Many aims for defence policy

Nation's pride: The new policy aims to weave more success stories such as Tejas.

With the aim of creating up to 30 lakh jobs and a total turnover Rs. 1.7 lakh crore in defence goods, the Union government has called for public responses to its draft Defence Production Policy, 2018.

The draft, made public on the Defence Ministry website a few days ago, has suggested further liberalisation of Foreign Direct Investment (FDI), by permitting up to 74% FDI under the automatic route. At present, up to 49% FDI is allowed through the automatic route, though no significant investment has come into the sector.

The draft policy says the government's aim is to achieve "a turnover of Rs. 1,70,000 crore (approximately \$26 billion) in defence goods and services by 2025, involving additional investment of nearly Rs. 70,000 crore (about \$10 billion) creating employment for nearly 2-3 million people."

It also hopes to achieve exports of Rs. 35,000 crore "in defence goods and services by 2025" and make India a global leader in cyberspace and AI (Artificial Intelligence) technologies.

Finance Minister Arun Jaitley announced in his Budget for 2018-19 that the government would bring out an industry-friendly Defence Production Policy, 2018 to promote domestic production by the public and private sectors and the MSMEs (micro, small and medium enterprises). The Defence Ministry will receive public inputs until March-end.

The policy says the vision is to make "India among the top five countries of the world in the aerospace and defence industries, with the active participation of the public and private sectors, fulfilling the objective of self-reliance as well as the demand of other friendly countries."

'Make in India'

The policy aims to create an environment that "encourages a dynamic, robust and competitive defence industry as an important part of the 'Make in India' initiative".

The policy also hopes to "reduce current dependence on imports and to achieve self-reliance in development and manufacture" of several weapon systems/platforms, among them fighter aircraft, medium lift and utility helicopters, warships, land combat vehicles, autonomous weapon systems, missile systems and gun systems.

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