

EFFORTS TO BOOST DEFENCE SECTOR

Relevant for: Science & Technology | Topic: Defence related developments

Ministry of Defence

Efforts to Boost Defence Sector

Posted On: 16 MAR 2020 2:56PM by PIB Delhi

The efforts made by Government to boost country's defence sector during the last two years are as follows:-

- **Industrial licensing:** Industrial licensing regime for Indian manufacturers in Defence sector has been liberalized. Defence Products list requiring Industrial Licences has been rationalised and manufacture of most of the parts and components does not require Industrial Licence. The total number of Defence licences issued has more than doubled from 215 as on 31st March, 2014 to 460 till 31st December, 2019 covering total of 275 Companies.
- **FDI:** FDI Policy has been revised and under the revised policy. Foreign Investment is allowed under automatic route upto 49% and above 49% through government route, wherever it is likely to result in access to modern technology or for other reasons to be recorded. Significant FDI inflows in Defence and Aerospace sectors have been witnessed.
- **Defence Procurement Procedure (DPP)**
 - Defence Procurement Procedure (DPP) was revised in 2016. Specific provisions have been introduced for stimulating growth of the domestic defence industry. A new category of procurement 'Buy {Indian-IDDMM (Indigenously Designed, Developed and Manufactured)}' has been introduced in DPP-2016 to promote indigenous design and development of defence equipments. This category has been accorded top most priority for procurement of Capital equipment. Besides this, preference is being given to 'Buy (Indian)' and 'Buy & Make (Indian)' categories of capital acquisition over 'Buy (Global)' & 'Buy & Make (Global)' categories. As a result of the aforesaid initiatives, the Government in the last three years i.e. from 2016-17 to 2018-19 and current year till December, 2019, has accorded Acceptance of Necessity (AoN) to 138 proposals worth Rs.2,69,465.26 crore approximately, under these categories of Capital Procurement which promote domestic manufacturing as per DPP-2016.
 - "Make" Procedure: In February, 2018 a separate procedure for 'Make-II' sub-category has been notified wherein a number of industry friendly provisions have been introduced. This effort of the Government to promote industry participation in indigenous development of defence items has yielded extremely encouraging

response. Make-II Procedure for implementation at OFB/DPSUs have also been notified in February, 2019.

- Government has notified the 'Strategic Partnership (SP)' Model which envisages establishment of long-term strategic partnerships with Indian entities through a transparent and competitive process, wherein they would tie up with global Original Equipment Manufacturers (OEMs) to seek technology transfers to set up domestic manufacturing infrastructure and supply chains.
- **iDEX: Innovations for Defence Excellence (iDEX) framework, was launched with the aim to achieve self-reliance and to foster innovation and technology development in Defence and Aerospace Sector by engaging Industries including MSMEs, startups, individual innovators, R&D institutes and academia.**
- **Indigenisation policy: Government has notified a Policy for indigenisation of components and spares used in Defence Platforms in March, 2019 with the objective to create an industry ecosystem which is able to indigenize the imported components (including alloys & special materials) and sub-assemblies for defence equipment and platforms manufactured in India.**
- **Defence Corridors: Government has decided to establish two defence industrial corridors to serve as engines of economic development and growth of defence industrial base in the country. They span across Chennai, Hosur, Coimbatore, Salem and Tiruchirappalli in Tamil Nadu and Aligarh, Agra, Jhansi, Kanpur, Chitrakoot and Lucknow in Uttar Pradesh.**
- Department of Defence Production has notified 127 items under Public Procurement Order 2017 notified by Department for Promotion of Industry and Internal Trade (DPIIT). The Defence PSUs and OFB are thereby required to give preference to domestic manufacturers while procuring these items in accordance with the said policy.
- **Testing facilities: The Test facilities/infrastructure available with various Government agencies (OFB, DPSUs, DRDO, DGQA, DGAQA & SHQs) have been made available to private sector with the objective to assist them in design and development of defence systems. The details of test facilities, procedure and other Terms and Conditions are available on websites of respective Government Agencies. An 'SoP for allocation and utilization of Proof Ranges/Field Firing Ranges for Private Industry' has also been notified.**
- The Ministry has instituted a new framework titled 'Mission Raksha Gyan Shakti' which aims to provide boost to the IPR culture in indigenous defence industry.
- Defence Investor Cell has been created in the Ministry to provide all necessary information including addressing queries related to investment opportunities, procedures and regulatory requirements for investment in the sector.
- The process for export clearance has been streamlined and made transparent &

online.

- Offset guidelines have been made flexible by allowing change of Indian Offset Partners (IOPs) and offset components, even in signed contracts.

During the last two years, the Government has signed Agreements on Defence Cooperation with Argentina, Russia, Serbia, Myanmar, Indonesia, Comoros, Jordan, Madagascar, Uganda, Zambia, Saudi Arabia and Finland.

This information was given by Raksha Rajya Mantri Shri Shripad Naik in a written reply to Shri P. Bhattacharya in Rajya Sabha today.

ABB/SS/Nampi/KA/DK/Savvy

(Release ID: 1606539) Visitor Counter : 244

END

Downloaded from **crackIAS.com**

© **Zuccess App** by crackIAS.com

Crack