

RAKSHA MANTRI SHRI RAJNATH SINGH ADDRESSES 18TH INDIA-US ECONOMIC SUMMIT THROUGH VIDEO CONFERENCING

Relevant for: Economy | Topic: Defence related developments

Key Highlights of RM's address:

Raksha Mantri Shri Rajnath Singh has invited US companies to invest in India and contribute in realising the dream of 'Make in India, Make for the World' envisioned by Prime Minister Shri Narendra Modi. He was delivering the inaugural address at the 18th India-US Economic Summit, on the theme 'Bouncing Back – Resilient Recovery Path Post COVID-19', organised by Indo-American Chamber of Commerce through video conferencing on September 15, 2021.

Terming defence sector as an integral part of not just the security but overall growth of the country, Shri Rajnath Singh stated the initiatives taken by the Government have transformed India into a strong and reliable investment destination. He said, India is now home to stable and secure government which focuses on economic growth through series of reforms. He added that robust domestic demand and availability of talented young work force & innovation make India a major investment destination.

The Raksha Mantri called upon the industry leaders to focus on transfer of technology through joint ventures to realise the country's true potential in defence sector. The foreign OEMs can set up manufacturing facilities individually or partner with Indian companies through a JV or technology agreement to capitalise on the 'Make in India' initiative, he added. Shri Rajnath Singh exhorted them to begin the process of Research and Development with the young minds of the country which will increase the linkages among the industries and create an ecosystem through equal contribution from academia and research.

Shri Rajnath Singh emphasised that there is a lot of scope for the American and Indian defence Industries for co-production and co-development, adding that Indian industry can supply components to American Industries. Expressing confidence that American firms will find India as a major investment destination for defence manufacturing, he assured the Industry that the Government is open for new ideas to create a business-friendly environment in India and is committed to push all types of entrepreneurship and manufacturing in the defence sector.

The Raksha Mantri said the summit is taking place at a time when India is celebrating 75th year of Independence, terming it a platinum opportunity for foreign industries, especially US companies, to contribute in building 'Aatmanirbhar Bharat'. "I am sure that the economic and strategic partnership between India & US will act as a spring board and the forum will act as a bridge to achieve this," he added.

Shedding light on the growing ties between India & US, Shri Rajnath Singh said the Comprehensive Global Strategic Partnership, 2+2 Dialogue, Quad Security Dialogue and agreements like Logistics Exchange Memorandum of Agreement (LEMOA) and Communications Compatibility and Security Agreement (COMCASA) have taken the bilateral relations to greater heights. He, however, emphasised that the relations are yet to receive its full potential, saying that several progressive policies have been put in place in the last two years that have given the defence sector an unexpected growth trajectory.

The measures include setting up of Defence Industrial Corridors in Uttar Pradesh & Tamil Nadu;

increasing the FDI limit to 74 per cent through automatic route and 100 per cent through Government route under certain circumstances; inclusion of 'Buy and Make' category in Defence Acquisition Procedure-2020 which provides a vendor with an economical workforce and India gets technology & trained manpower; draft Defence Production and Export Promotion Policy (DPEPP-2020) with provisions to incentivise foreign investment and notification of two positive indigenisation lists to increase business collaboration.

The Raksha Mantri highlighted that, despite the COVID-19 situation, the country's economy is back on track due to the steps taken by the Government. "India's GDP has shown a 'V' shaped growth curve in the last two years. Where the growth witnessed a contraction of 24 per cent last year, a jump of 20 per cent has been seen in the first quarter of this year. It is a reflection of the country's sound economic fundamentals," he said.

Shri Rajnath Singh further said, "We are expecting double digit growth in FY-22 despite the challenge of COVID-19. But, the challenge will be to maintain a healthy growth rate of 7-8 per cent in the years after FY-22. Under the leadership of Prime Minister Shri Narendra Modi, we are preparing for dynamic growth much beyond FY-22." He added that major structural & procedural reforms in the seven years have prepared India to take a quantum jump in terms of growth. Formulation of progressive & investor friendly tax policies, increased focus on ease of doing business, agriculture and labour reforms are some of the initiatives that have laid the foundation of a 'New India', he stated.

The Raksha Mantri also lauded the Indian industry for fulfilling the requirement of masks, PPE kits, ventilators and working with the Government to deal with the pandemic. He added that the Industry is playing a significant role in the world's largest vaccination drive being undertaken in India.

The 18th Indo-US Economic Summit has been organised keeping in view the important role India & US can play in the post-COVID-19 economic recovery. Business leaders of India & US attended the event virtually. The summit also comprises sessions on social issues like women empowerment. The IACC is the apex bilateral Chamber that aims to synergise the India-US Economic Engagement.

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