

Ministry of Defence

India to achieve USD 26 Billion Defence Industry by 2025: Raksha Mantri

Shri Rajnath Singh; assures private industry of government support in realising their full potential.

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Raksha Mantri Shri Rajnath Singh has said the Government is committed to work towards achieving a USD 26 billion Defence industry by 2025. Addressing the second annual session of Society of Indian Defence Manufacturers here today, he said the Defence sector has been identified as one of the most prominent sectors under “Make in India” Initiative to realize USD 5 Trillion Economy by 2024.

Underlining the need to reduce dependency on arms imports, Raksha Mantri said several steps have been taken under the “Make in India” initiative to make the country a major Defence manufacturing hub and net Defence exporter. The Government would not hesitate to initiate more measures, if required, he added.

He said that the defense production policy reflects the resolve of the government to achieve USD 26 billion Defence industry with an anticipated investment of USD 10 Billion in aerospace and Defence goods and services by 2025. This will also provide employment to about 2-3 million people. He said, the government has introduced many far-reaching reforms in the past five and a half years to create an ecosystem where private and public sectors contribute together as per their respective strength and experience. The reforms have touched almost all aspects of Defence production and procurement, he added.

Raksha Mantri said that simplification of procedures for Defence Exports has resulted in export of Rs 10,745 Crore in 2018-19, which is nearly seven times the export achieved in 2016-17 and a target of USD 5 Billion for exports has been set till 2024.

Describing India as a big Defence industrial base, the Raksha Mantri said there are nine Defence Public Sector Units, 41 ordinance factories, 50 dedicated R & D labs and many other establishments are included in it. There are about 70 license holding private companies. They have a dedicated workforce of 1.7 lakhs people.

Shri Rajnath Singh said, the government has simplified industry licensing process, increased the FDI cap and taken necessary steps to promote Defence exports. He said, Defence offset policy has been streamlined and government owned trial and testing facility has been provided to private sector. Two Defence industrial corridors have been launched in Tamil Nadu and Uttar Pradesh.

Elaborating the Government’s initiatives to promote Start-Ups and MSMEs, the Minister said that at present over 8000 MSMEs are engaged in Defence production. Efforts are on to double this figure to 16,000.

Under the “Make” procedure, till date 40 industry development proposals have been given in principle approval. Eight such projects would have an estimated value of Rs 2,000 Crore in next five years. As against 215 Defence licenses issued till 2014, the number of Defence licenses issued went up to 440 by March 2019, he added.

Shri Rajnath Singh said Defence Procurement Procedure was revised in 2016 to stimulate the growth of domestic Defence industry. A new category ‘Buy {Indian-IDDMM (Indigenously Designed, Developed and Manufactured’)} was introduced to promote indigenous design and development of Defence equipments. He said in recent times most of the capital procurement approvals by the Defence Acquisition Council were given under indigenous development and production.

Shri Rajnath Singh further said that strategic partnership model has been introduced in Defence Procurement Procedure to ensure that private sector manufactures big-ticket items like Fighter Aircraft, Helicopters, Submarines and armored vehicles. This will help Indian private companies to evolve into global giants in coming years.

Underscoring the symbiotic relationship between innovation and enterprises to flourish manufacturing in today's fast moving world, Shri Rajnath Singh said that Innovation for Defence Excellence (IDEX) has been launched to promote innovation and technology development.

44 winners have been chosen in 14 projects under two defence innovation Start-up Challenges (DISC).

Referring to the strong IT industry of the country, Shri Rajnath Singh said that a road map has been prepared to promote Artificial Intelligence in national security to make India a significant power in Defence AI. It has been planned to develop 25 Defence Specific AI products by 2024.

The Raksha Mantri said that steps are being taken to make defence manufacturing sector self-reliant and a new Transfer of Technology (ToT) policy is under process that will pave the path of transferring DRDO developed technologies to the industry. A new policy on the use of DRDO patents by the industry is under consideration to promote and motivate Defence industry for innovation. He mentioned that till now over 900 ToT licencing agreements have been signed with the industry which is a major step towards making Defence manufacture sector self-reliant.

Shri Rajnath Singh assured the Defence Manufactures of all possible support from the Government. He said that the government is open to new ideas and is committed to fully harness the energies, entrepreneurship spirit and enterprise of private sector in the defence sector.

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