



Promotion of Defence Production

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Defence manufacturing is primarily driven by capital acquisition of defence equipment. Under 'Make in India' initiative of the Government, several measures have been taken to promote indigenous design, development and manufacture of defence equipment in the country by harnessing the capabilities of the public and private sector. These measures include according preference to procurement from Indian vendors under the Defence Procurement Procedure (DPP), liberalization of the licensing regime and FDI policy by raising the cap on FDI in the defence sector, simplification of export procedure, streamlining of defence offset guidelines etc. Recently, the 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.

In the last three financial years i.e., 2014-15 to 2016-17, the Government has accorded Acceptance of Necessity (AoN) for 105 proposals worth Rs.2,33,000 Crore approximately, in 'Buy (Indian-Indigenously Designed & Developed Manufactured (IDDM)', 'Buy (Indian)', 'Buy and Make (Indian)' and 'Make' categories of capital acquisition i.e. Request for Proposal (RFP) will be issued to Indian vendors only.

As on date, no in-house development project proposal approved by Ordnance Factory Board for development of small arms is pending for approval by Department of Defence Production.

This information was given by Raksha Rajya Mantri Dr. Subhash Bhamre in a written reply to Shri PR Senthil Nathan and Shri Bharathi Mohan RK in Lok Sabha today.

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