



Ministry of Defence

Atmanirbharta in full flow as India bans more than 100 defence items

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Relevant to Mahindra Defence

Background

- As the rising defence imports bill over the past two decades has constrained India's strategic rise, the goal of making the country self-reliant in defence production has been on the priority list of defence ministers, especially after the 1999 Kargil War
- The Make in India scheme announced in 2014 aimed to develop the indigenous defence industry, but has failed to achieve its targets
- Defence Minister Rajnath Singh's announcement of a negative import list of 101 defence items as a major step towards 'self-reliant India' is in line with this thinking

Domestic Industry reaction

- The major complaint from the domestic defence industry was the absence of a commitment from the armed forces on procuring a defence item that was developed and produced in India
- The list is in some ways a throwback to the licence permit raj of the pre-liberalisation era, but strong feedback from industry has forced the government to intervene in the very complex defence industrial sector
- By putting certain items on the embargo list and creating a separate budget head for domestic capital procurement, the government has sent a signal to indigenous industry

What does the list include?

- The list includes artillery guns, missile destroyers, ship-borne cruise missiles, light combat aircraft, light transport aircraft, long-range land attack cruise missiles, communication satellites, basic trainer aircraft, multi-barrel rocket launchers, a variety of radars, assault rifles, sniper rifles, mini UAVs and different types of ammunition

- The list also spells out when the embargo kicks in for different items --- between 2020 and 2025
- The list also includes, wheeled Armoured Fighting Vehicles (AFVs) with indicative import embargo date of December 2021, of which the Army is expected to contract almost 200 at an approximate cost of over Rs 5,000 crore

Atmanirbhar Defence Industry

- The list of weapons banned for import will be reviewed every year and more items will be added to it after discussions with the department of military affairs (DMA)
- This implies India will have to compulsorily develop technology for the defence systems and platforms figuring on the negative import list
- The list has been prepared by the ministry after several rounds of consultations with all stakeholders, including the military and the industry, and factoring in future capabilities of the defence sector to locally manufacture equipment and ammunition

SRIJAN: Online Portal launched to promote Indigenisation of Defence Production

Benefits

- The portal will ultimately help the Indian Defence Industries benefit extensively by manufacturing these items
- The Defence Public Sector Units and the Ordnance Factory Board shall display items that are being imported on the portal
- Will aim to promote indigenisation of defence items production by providing information about defence equipment and items that are being imported so that the Indian industry can design, develop and manufacture them domestically as per its capability

The growing list of stakeholders

- The DPSUs, Ordnance Factory Board (OFB) and headquarters of the armed forces (SHQs) can display on SRIJAN those items that are being imported currently so that

the Indian industry can design, develop and manufacture them domestically as per its capability

- The concerned DPSU or the OFB or the SHQ will interact with the Indian industry based on its requirement of the equipment and as per the guidelines
- Goa Shipyard Limited signed an MoU on Friday with Indian Institute of Technology (IIT) Goa on areas such as artificial intelligence, internet of things and computational field dynamics

Other Highlights

- New facilities were launched, contracts and MoUs were signed and Expression of Interests (EOIs)/Request for Proposals (RFP) were issued
- The Hindustan Aeronautics Limited (HAL) issued an EOI for indigenisation of 46 items having a total value of Rs 100 crores
- The Bharat Electronics Limited (BEL) issued an EOI for indigenisation of five items having a total value of Rs 31 crores
- Similarly, Bharat Dynamics Limited issued an EOI for indigenisation of 11 items having a total value of Rs 15 crores

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