

Indian government to boost defence manufacturing

Highlights from DefExpo 2018

At a recently concluded defence exposition in India, boost in manufacturing, innovation, and development in the sector have been highlighted, with speedy grant of manufacturing licences, simpler FDI rules and two defence industrial corridors in the pipeline.

Being held in Chennai (south India), the recently concluded 10th edition of the four-day-long DefExpo 2018, a biennial event organised by the Indian defence ministry, saw the government talk about its aim of boosting defence manufacturing in India.

Speedy grants for manufacturing licences and exports, simpler rules for Foreign Direct Investment (FDI) and setting up of two defence industrial corridors to boost production of critical and new equipment were outlined, by Indian Prime Minister Narendra Modi.

India is the world's biggest importer of arms and military platforms and now the push in manufacturing is to further position it firmly on the global defence scene. "Our dream is to develop the ecosystem to foster an environment of new and creative entrepreneurship in the defence manufacturing sector," Modi said at the event, which saw defence representatives from private and public sector, and nearly 500 Indian companies



and 150 international firms. While Indian manufacturers participating in the expo include Tata, Mahindra, DRDO and Bharat Forge, some international manufacturers are Boeing, Cyient, Saab, Elbit in collaboration with Adani, Airbus, Rafael, United Shipbuilding, etc.

The tagline of the DefExpo this year is 'India: The emerging defence manufacturing hub', showcasing India's hopes to brand itself as an exporter of defence systems and components.

India's plans to boost manufacturing in defence will also provide employment to the huge workforce that enters the Indian market every year.

Defence exports from India have already seen a rise with the total number of permission grants standing at 118 for USD 577 million dollar in May 2014, and an addition of 794 permissions of a total value of USD 1.3 billion dollar, in less than four years.

The displays at the expo included indigenously developed land, air and naval systems such as the Tejas fighter jets, advanced towed artillery gun systems designed by the Defence Research and Development Organisation (DRDO), Arjun Mark 2 tank and Dhanush artillery guns. The DRDO showcased Nirbhay missile system with its launcher, MBT Arjun Mk-I tank, Astra missile, low-level transportable radar system, medium power radar system and Varunastra—a heavyweight anti submarine electric torpedo.

The government also recently confirmed delivery of a long due consignment of bulletproof jackets for the Indian army, taking a step forward in its initiative of strengthening the defence.

Taking forward the Make in India in defence initiative, Modi also said that the commitment to protecting India's territories is strong and for this, steps will be taken to equip armed forces, including setting up a strategic defence industrial complex. "I am aware that we need to do a lot more and we are committed to build a defence industrial complex that has room for everyone, including the public and private sector and foreign firms," he said. Highlighting the steps that have been taken to boost innovation in defence, the prime minister

said, “We have launched the IDEX (innovations for defence excellence), which will setup a defence innovation hub throughout the country.”

Inking progress One of the key developments at the expo has been the number of agreements signed for ‘Transfer of Technology’ (TOT).

Multinationals from the United States, the United Kingdom, Europe and Korea have signed pacts and shown interest to transfer technologies to the Indian companies, and joined hands with leading Indian partners such as the DRDO, Adani, Larsen & Toubro (L&T) and Bharat Electronics Limited (BEL).

“At the national level, about 1,500 companies have been engaged with the ministry. So far, 712 technology transfers have been made. At the state level, 35 companies have signed Transfer of Technology for the supply of defence equipment,” said Defence Minister Nirmala Sitharaman.

The TOTs are to boost Make in India in defence. In the last three years, around 200 ToTs generated revenue to the tune of around INR 1.9 billion (about EUR 250 million) for DRDO, say officials.

Giora Katz, executive vice-president of Israeli firm, Rafael Advanced Systems, said that ‘Make in India’ is an excellent opportunity for the company to showcase its technology. “We would like to work with our Indian partners to transfer knowledge and engage in part manufacturing and maintenance of products,” Katz said. The expo also saw other collaborations and signing of pacts, putting many manufacturing and ToTs in Indian defence sector’s bag.

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