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‘हर काम देश के नाम’

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**Raksha Mantri Shri Rajnath Singh Urges Industry cooperation to  
take Indian defence sector to new heights  
Government Steps to Improve Defence Industry manufacturing eco  
system are showing results: RM**

Raksha Mantri Shri Rajnath Singh exhorted the Indian defence Industry to make new investments and lay more emphasis on research & development to scale new heights. He was addressing the 117<sup>th</sup> Annual session of PHD Chamber of Commerce & Industry (PHD-CCI) held in New Delhi on September 30<sup>th</sup>, 2022. “Make new investments, put more emphasis on research & development, and harness its full potential to take the Indian defence industry to new heights. This effort of yours will be very important not only for the defence industry, but also for the overall growth of the entire country,” he said.

Raksha Mantri added that the Indian defence sector offers immense potential and the companies even from abroad see opportunities. PHD-CCI being one of the oldest industry associations having many national and international members could act as ambassador of the Indian defence industry. “Your roots are spread far and wide in the country and abroad. You can fulfil your role by communicating with all the domestic and foreign companies, connecting them with the Indian defence industry and acting as a bridge between these two,” he said

Appreciating the PHD-CCI for scheduling a dedicated session on ‘Make in India: A success story of India's Defence Indigenization’ Raksha Mantri said that this is equally related to the national security, and the economic progress of

the country. National security is one of the most important components in the progress of a nation. The social, economic and cultural upliftment of the nation are not possible without security.. India had paid the price in past for neglecting national security. Even after independence not enough attention was given to make defence sector strong and self-reliant, he lamented.

Striking an optimistic note, Raksha Mantri said that Indian defence industry is progressing steadily in partnership with private sector."There was either no way for the private sector in the past to enter the defence sector, and even if there was some scope, the industry was not ready to set foot in the defence sector due to various reasons". These reasons were lack of political will, appropriate policy to incentivize their entry, high investment and long gestation period.

Raksha Mantri noted that the government has removed these bottlenecks and played the role of an incubator, catalyst, consumer and facilitator in the case of private industry. Several steps have been taken by the Ministry of Defence, under the 'Make in India' and 'Self-reliant India' initiatives of the Government, to change the old traditions, and to create a manufacturing climate, in which the public and private sectors could participate.

Elaborating upon the far-reaching reforms undertaken by the MOD to bolster the private sector participation in defence sector, Raksha Mantri said that Government labs opened to the private industry, transferred technology at zero fee, provided access to test facilities, and upfront funding through DRDO was provisioned.

The Ministry of Defence has issued 3 positive indigenization lists of 309 items which will be procured from domestic vendors as per norms. Three lists have also been issued by Defence Public Sector Undertakings (DPSU), in which more than 3700 are Line Replacement Units, Sub-systems and other Components. In addition, an iDEX initiative has been launched to encourage innovators and start-ups. The policy decision has been taken to increase the limit of FDI to 74% by the automatic route, and to 100% by the government route in special cases. Government has taken several steps like introduction of defence industrial corridors-- two Industrial corridors have been set up each in Uttar Pradesh and Tamil Nadu, corporatization of OFB which creates win-win situation for armed forces, industry, start-ups and innovators, said Raksha Mantri.

He further said : “The magnitude of all these efforts is beginning to come before us. Today we are not only producing to meet our own defence needs, but also fulfilling the defence needs of many other countries under 'Make for the World'. It is a matter of great happiness that defence exports have increased manifold from what we used to have, and have reached Rs 13,000 crores last year. We used to be counted as one of the biggest arms importers in the world until now. But today we are one of the top 25 arms exporting countries of the world. We have targeted a turnover of Rs 1.75 lakh crore in defence manufacturing, including Rs 35,000 crore from exports in aerospace, and defence goods and services by 2025.”

PHD-CCI is one of the oldest chambers in the country. Since its establishment in 1905, it has been proactive National Apex Chamber working at the grass-root level and with strong national and international linkages. The Chamber acts as a catalyst in the promotion of industry, trade and entrepreneurship. PHD Chamber, through its research-based policy advocacy role, positively impacts the economic growth and development of the nation.

**ABB/SR/GC**