

## AIR Spotlight: Government's Push for Atmanirbharta in Defence

AIR Spotlight is an insightful program featured daily on the All India Radio News on air. In this program, many eminent panellists discuss issues of importance which can be quite helpful in [IAS exam](#) preparation.

This article is about the discussion on: **'Government's Push for Atmanirbharta in Defence'**.

### Participants:

- Lt. General Sanjay Kulkarni: Defence Expert
- Ajay Banerjee: Journalist

**Context** - In line with the 'Atmanirbharta in Defence' and in order to minimise imports by DPSUs (Defence Public Sector Undertakings), the Defence Ministry approved the 4th Positive Indigenisation List (PIL) of 928 strategically important Line Replacement Units (LRUs)/Spare/Subsystems and components, including high-end materials and spares, with import substitution values worth Rs 715 crore.

### Atmanirbharta in Defence

As a part of the efforts to achieve self-reliance in defence manufacturing and minimise imports by Defence Public Sector Undertakings (DPSUs), a positive indigenisation list (PIL) has been notified by the department.

- The government has introduced a comprehensive revamped, 'Make and Innovation' procedure to promote indigenous manufacturing of defence equipment and to reduce dependency on imports. The 'Make and Innovation' procedure has been introduced in [DAP 2020](#) to promote indigenous design and manufacture of defence equipment through private participation with both government and industry funding.
- The defence ministry approved the fourth positive indigenisation list (PIL) of 928 strategically important components and subsystems that will only be procured from domestic sources once import bans on them kick in, over a period of five and a half years. The new non-import list of 928 items will lead to an import substitution of around 715 crores, which will be used by the Indian companies to make these sub-parts and assemblies in India.
- Earlier three such PILs were put out in December 2021, March 2022 and August 2022. These lists contain 2500 items which are already indigenised and 1238 (351+107+780) items which will be indigenised within the timelines. Of the 1238 items, 310 items have already been indigenised.
- Current estimates place India's defensive capital expenditure at \$130 billion over the next five years. The defence ministry has set a \$25 billion (Rs 1.75 lakh crore) turnover goal in defence

manufacturing in the next five years, including an export target of \$5 billion worth of military hardware.

- The government is giving a much-needed push to atmanirbharta in defence, however, the imports will not stop altogether, it will happen over a period of time. It will take time to absorb the technology and start manufacturing in India. There are so many [MSMEs](#) which would be involved in the small critical technologies - Line Replacement Units, subsystem components and different types of ammunition in order to make the country self-reliant, primarily keeping in view the new-age geostrategic developments that are taking place in the world.

### **Significance of PIL/Non-Import List**

- It will give a boost to indigenisation with the active participation of the public and private sectors in fulfilling the twin objectives of achieving self-reliance (Atmanirbhar Bharat) and promoting defence exports.
- It will boost domestic research and development by attracting fresh investment into technology and manufacturing capabilities.
- It provides an excellent opportunity for startups and MSMEs.

### **India on Imports' List**

India is the top importer of defence equipment in the world, according to a [SIPRI report](#), 2021 (Stockholm International Peace Research Institute). India accounted for 11% of global arms imports between 2017 and 2021.

- Russia has historically been India's defence mainstay. It remained the top arms supplier to India but the volume of imports fell by 47 per cent between 2012-16 and 2017-21.
- Between 2017 and 2021, India's imports from France increased sharply and the European nation became India's second-largest supplier, according to the SIPRI report.
- The US, Russia, France, China, and Germany account for nearly 77 per cent of global arms exports, according to the SIPRI report.
- India is also an exporter of defence items and exported defence items worth Rs 14000 cr. in 2021-22. This was a sharp increase from Rs. 900 cr. of exports in 2014.
- Now, India is moving towards the indigenisation of defence equipment which will certainly reduce the extent of imports and over a period of time will be self-sufficient in manufacturing, maintenance and even upgradation of defence systems.

### **Major steps by the GoI to promote Atmanibhar in defence sector -**

- Defence Procurement Procedure (DPP)-2016 was revised as Defence Acquisition Procedure (DAP) - 2020, which is driven by the tenets of Defence Reforms announced as part of 'Aatmanirbhar Bharat Abhiyan'. In order to promote indigenous design and development of

defence equipment 'Buy {Indian-IDD (Indigenously Designed, Developed and Manufactured)}' category has been accorded the top priority for procurement of capital equipment.

- iDEX, a flagship initiative of the Ministry of Defence, was launched in April 2018. [Innovation for Defence Excellence](#) (iDEX) aims at the creation of an ecosystem to foster innovation and technology development in Defence and Aerospace by engaging Industries including MSMEs, Start-ups, Individual Innovators, R&D institutes and Academia and providing them grants/funding and other support to carry out R&D.
- An indigenization portal, namely SRIJAN, has been launched in August 2020 for DPSUs/Services with an industry interface to provide development support to MSMEs/Start-ups/Industry for import substitution.
- The government has established two Defence Industrial Corridors ([DICs](#)), one each in Uttar Pradesh and Tamil Nadu. It has been envisaged to attract total investments of Rs 20,000 Crore in the two Defence Industrial Corridors of Uttar Pradesh and Tamil Nadu by the year 2024-25.

**Conclusion** - The Indian defence manufacturing sector has seen some major investments and developments in the recent past. The GoI has taken a number of policy initiatives in the past few years and brought in several reforms to encourage indigenisation, designing, development and manufacturing of defence equipment, thereby promoting self-reliance in the defence sector. Although India is the top importer of defence equipment, it also exports defence items. Defence exports grew by 334% in the last five years and India exports to over 75 countries.