# Perspective: Atma Nirbhar in Defence

## Why in News

To give a thrust to **Atma Nirbhar Bharat** in the defence sector, the Prime Minister recently **handed over indigenously designed and developed equipment to the Armed Forces Service Chiefs.**

## Key Points

- **Distribution of Defence Equipments: HAL**- designed and developed Light Combat Helicopters were handed over to the Chief of the Air Staff.
    - Drones and UAVs designed and developed by **Indian startups** were given to the Chief of the Army Staff
    - **DRDO** designed and Bharat Electronics Limited (BEL) manufactured Advanced Electronic Warfare suite for naval ships were handed over to the Chief of Naval Staff by the Prime Minister.
- **UP DIC's Jhansi Node**:The Prime Minister also laid the foundation stone of the Rs 400 crore project at Jhansi node of the UP **Defence Industrial Corridor** (DIC).
    - In addition to Jhansi, the corridor has nodes at Agra, Aligarh, Chitrakoot, Lucknow and Kanpur.

## AtmaNirbhar India in Defence

- **Defence Industrial Corridor:**
    - A significant step in the march to **indigenization** which was announced by the finance minister in 2018 and it decided to set up **two defence industrial corridors** in **Tamil Nadu and in Uttar Pradesh.**
    - Aim of the Uttar Pradesh Corridor is to revive the large **MSME** base of **Uttar Pradesh to support defense manufacturing** as there are six nodes.
    - The government is giving exemption and concessions in the duty taxes, electricity duty, stamp duty, etc.
    - Both the industrial corridors are one of the major steps the government has taken to push indigenization in defense.
- **Modernization with Indigenization: Defense Manufacturing Ecosystem**
    - Recently, **Bharat Dynamics Limited(BDL)** has started with the foundation laying ceremony in jhansi.
    - **Brahmos** is a major investment which will come in lucknow with a private sector investment in specialized titanium and alloys,etc.
    - The **Indian defense manufacturers** have signed MOUs with both the state governments.

## Challenges

- **Too Much Delay:** In the past five years, the Indian government has approved over 200 defence acquisition proposals with the transfer of technology provision, valued around Rs 4 trillion, but most are still in relatively early stages of processing.
- **Public Sector Driven:** India has four companies **(Indian ordnance factories, Hindustan Aeronautics Limited (HAL), Bharat Electronics Limited (BEL) and Bharat Dynamics Limited (BDL))** among the top 100 biggest arms producers of the world.
    - All four of these companies are **public sector enterprises** and account for the bulk of the domestic armament demand.
    - Governments usually have tended to privilege Defence Public Sector Units (DPSUs) over the private sector, despite '**Make in India'.**
- **Lack of Critical Technologies:** Poor design capability in critical technologies, **inadequate investment in R&D** and inability to manufacture major subsystems and components hamper the indigenous manufacturing.
    - The relationship between the R&D establishment, production agencies (public or private) and the end-user are extremely weak.
- **Long Gestation Period**: The creation of a manufacturing base is **capital and technology-intensive** and has a long gestation period.
    - For a factory to reach optimum levels of capacity utilisation, it could take anywhere between five to 10 to even 15 years and by the time a unit commences production, any of the following developments can take place.
- **Poor Manufacturing Environment: Stringent labour laws**, compliance burden and lack of skills, affects the development of indigenous manufacturing in defence.
- **Lack of Coordination**: Overlapping jurisdiction of the Ministry of Defence and Ministry of Industrial Promotion impair India's capability of defence manufacturing.

## Initiatives Taken

- **Defence Production and Export Promotion Policy 2020 (DPEPP 2020):**
    - The **DPEPP 2020** is envisaged as an overarching guiding document to provide a focused, structured and significant thrust to defence production capabilities of the country for self-reliance and exports.
- **Multi-Pronged Steps Towards Self Reliant Defense Sector:**
    - **Make in India: 2014**
        - There have been progressive changes with one focus to empower the private industry.
        - The **DPP 2016** came out with a new category called **Indian IDDM** (Indigenously Designed, Developed and Manufactured) .
        - If any Indian company opted for Indian IDDM, it was given preference over all other categories.
- **Strategic Partnership:**
    - A **strategic partnership model** allows indian companies to collaborate with **foreign OEMs** and get transfer of technology, get the capability to build, manufacture india and sustain those projects in india.
    - The first of the RFP for the **conventional submarines** in functioning.
- **Positive Indigenization: 2020**
    - For the first time the government is putting **a ban on itself to import** any item,the Government wants to empower the **indigenous industry.**
    - There are two positive indigenization **lists** of 101 items and 108 items that range from platforms to weapon systems to sensors to the entire plethora of items.

## Way forward

- The **Ministry of Defence,** **Defence Research and Development Organisation (DRDO)** and Service Headquarters shall take all necessary steps, including hand holding of the industry, to ensure that the timelines mentioned in the list are met.
    - It will thereby facilitate an environment for Indian defence manufacturers to create world class infrastructure, assist in the government's '**Make in India**' vision to **make India self-reliant in defence** and develop the capabilities for defence export in the near future.
- The Ministry of Defence is also expected to put out the final version of the '**Defence Production and Export Promotion Policy (DPEPP) 2020'.**
    - It is envisaged as an overarching guiding document to provide a focused, structured and significant thrust to defence production capabilities of the country for self-reliance and exports.
- India is today **the second largest hub of startups** which means innovation i.e. new ideas is the one which will expedite the processes and will bring down the cost and make it competitive in the entire world.
- The **naval indigenization innovation** organization in the last one year has filed **30 patents for the defense production.**
- This will transform the industry to **take initiative to develop and be competitive** in the world and meet global requirements.
- The aim is to make **India a defense production hub** and if India is to become the **net security provider in the Indian security region** these are aspects that it must take into account.