



# Defence Exports from India



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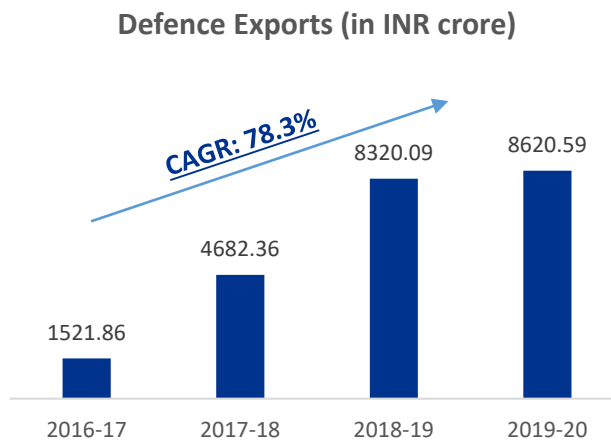
## 01

## Overview of defence manufacturing

Ministry of Defence (MoD), India, has set up an aspirational target of doubling the defence production to INR 180,000 crores in the next 05 years which is estimated to reach INR 90,000 crores in 2019-20 (INR 80, 558 crores in 2018-19). The A&D manufacturing sector has been identified as priority sector under "Make in India" Initiative. In order to achieve the target annual growth rate of ~15% the MoD is focusing on boosting the defence exports.

### A. Current scenario of defence exports

Simplification of procedures for defence exports has resulted in export of INR 8,620.6 crore in 2019-20, which is nearly 06 times the export achieved in 2016-17, the exports registered a phenomenal Compounded Annual Growth Rate (CAGR) of 78.3%.



As per the data published by the Stockholm International Peace Research Institute (SIPRI), in March 2020, India is ranked 19th in the list of major arms exporters for 2019. While India has made significant progress over the last 05 years, its share of global arms exports is only 0.17% which indicates the quantum of existing opportunity in defence exports.

Given the immense potential for defence exports, the MoD has targeted to achieve exports of INR 35,000 crore (USD 05 billion) till 2024 wherein the exports will have to grow at a CAGR of >40% till 2024.



## B. Promoting defence exports

In order to promote defence exports the Department of Defence Production (DDP) has put in place a specific strategy for encouraging defence exports within the overall ambit of Foreign Trade Policy (FTP). The following steps have been taken for promotion of exports:

1. Special Chemicals, Organisms, Materials, Equipment and Technologies (SCOMET) Category 6 titled "Munitions List" that was hitherto "Reserved" has been populated and Military Stores list notified vide Notification No.115(RE-2013)/2009-2014 dated 13th March, 2015 stands rescinded.
2. The export of items specified in Category 6 (Munitions List) except those covered under Notes 2 & 3 of Commodity Identification Note (CIN) of the SCOMET is now governed by the Standard Operating Procedure issued by the DDP.
3. Standard Operating Procedure (SOP) for the export of munitions list items has been modified and placed on the website of the DDP.
4. A separate cell has been formed in DDP to co-ordinate and follow up on export related action including enquiries received from various countries and facilitate private sector and public sector companies for export promotion.
5. A scheme to provide financial support to Defence Attaches (DAs) for taking up actions for promoting exports of Indian made defence products both of public and private sector in the countries to which they are attached has been notified.
6. Targets have been set for the Defence Public Sector Undertakings (DPSUs) and OFB for export of defence related products and mandate for state-owned public sector units to earn 25% of annual revenue through exports by FY2023 has been promulgated.
7. A completely end-to-end online portal for receiving and processing authorisation permission has been developed.
8. In repeat orders of same product to the same entity, consultation process has been done away with and permission is issued immediately.



### C. Key systems and sub-systems exported from India

S.No	SHQ	Project name
1	Land Systems	<ol style="list-style-type: none"> <li>1. Akash – Air Defence System</li> <li>2. Brahmos – Cruise missile weapon system</li> <li>3. Milan 2T – ATGM (Bharat Dynamics limited)</li> <li>4. Dhanush – artillery gun (OFB)</li> <li>5. Advanced Towed Artillery Gun System</li> <li>6. Vajra – Self-propelled artillery gun (L&amp;T)</li> <li>7. Bharat 52 – towed gun (Bharat Forge Limited)</li> <li>8. Garuda 105 – light field gun (Bharat Forge Limited)</li> <li>9. Upgraded L-70 gun (Bharat Electronics Limited)</li> <li>10. Zu 23 upgraded gun (L&amp;T)</li> <li>11. Upgraded Schilika Weapon System</li> <li>12. Wheeled Amphibious platform (Tata Motors Limited)</li> <li>13. Weapon Locating Radar (Bharat Electronics Limited)</li> <li>14. Battlefield Surveillance Radar (Bharat Electronics Limited)</li> <li>15. 3D low level light weight Radar (Bharat Electronics Limited)</li> <li>16. Military Vehicles (Ashok Leyland)</li> <li>17. Mine Protected Vehicles (OFB)</li> </ol>
2	Naval Systems	<ol style="list-style-type: none"> <li>1. Anti-submarine warfare corvette</li> <li>2. Offshore Patrol Vessel</li> <li>3. Advanced Offshore Patrol Vessel</li> <li>4. Fast Patrol Vessel</li> <li>5. High Speed Patrol Boat</li> <li>6. Fast Interceptor Boats</li> <li>7. Inshore Patrol Vessel</li> <li>8. Landing Craft Utility</li> <li>9. Torpedo Advanced Light</li> <li>10. Torpedo Launchers</li> </ol>
3	Air Systems	<ol style="list-style-type: none"> <li>1. LCA Tejas</li> <li>2. Light Combat Helicopter</li> <li>3. Advanced Light Helicopter</li> <li>4. Cheetal</li> <li>5. Dornier</li> <li>6. Brake Parachute</li> </ol>
4	Communications System	Including different types of handheld radios, transceivers, jammers, etc.

## D. Export target countries

India now exports defence products to 42 countries across continents including developed countries in Western Europe and North America. Some of the countries are given below:

- The US
- Australia
- Finland
- France
- Germany
- Israel
- The Netherlands
- South Africa
- Singapore
- Thailand
- Sweden
- Azerbaijan
- Seychelles
- Estonia
- Indonesia
- Guinea
- The Philippines
- Qatar
- Lebanon
- Iraq
- Ecuador
- Uruguay
- Japan
- Egypt.





## KPMG in India contacts:



**Maj. Abhishek Verma**  
**Partner and Head, Aerospace & Defence**

Infrastructure, Government & Healthcare

T: +91 99309 67757

E: [abhishekverma5@kpmg.com](mailto:abhishekverma5@kpmg.com)



**Capt. Vinod Narasimhamurthy**  
**Director- Defence Advisory**

KPMG India  
Infrastructure, Government & Healthcare

T: +91 8130800288

E: [vinodn1@kpmg.com](mailto:vinodn1@kpmg.com)

[home.kpmg/in](https://home.kpmg/in)

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