



and parts of larger systems. In FY 2014-15, India exported defence equipment worth \$104 million, including helicopters, bulletproof jackets, aircraft spares and military hardware to 22 countries in 2014-15. According to the Economic Times: "India has exported forging equipment, electronic assemblies, flight control panels to the US, transmitting tubes to UK and MIG, Sukhoi Su-30 aircraft spares to Russia and Malaysia."

Other major exports include CHEETAL helicopters to Afghanistan, DHRUV helicopters and bulletproof jackets to Nepal, OPVs and ammunition to Mauritius and JAGUAR aircraft spares and services to Oman.

India is also hopeful of joining the Wassenaar arrangement and the Missile Technology Control Regime (MTCR). If the country is successful in becoming a part of either international organisation, its export market will receive a substantial boost. The DRDO has already listed a number of products it plans to sell abroad including the AKASH surface-to-air missile system, sonar systems, underwater communication systems, the TEJAS fighter aircraft, AEW&C systems, the NISHANT UAV, and a series of radars, among others.

### Light at the End of the Tunnel?

Ever since DefMin Parrikar assumed office in November 2014, new developments in Indian defence sector have been witnessed, which are expected to show results in the next few years. Apart from clearing pending contracts, he constituted an Experts Committee under former bureaucrat Dharendra Singh (hereafter, Singh Committee) to look into all aspects of the DPP and suggest changes. The Singh Committee is the third attempt to remove procedural bottlenecks and make the procedure transparent and accountable. It must be read and understood by every stakeholder in Indian defence sector. The Singh Committee has made more than 40 major recommendations in its voluminous report. Among the major recommendations, a few like Development and Partnership Model for Indian industry (selection of strategic partners from Indian private companies, who could eventually become system integrators), Industry Mapping, Policy

Formulations related to Intellectual Property and ToT, etc., made changes in procedural arrangements where necessary and offsets stand out. It is not possible to evaluate all recommendations due to lack of space, as these are yet to be incorporated into the new DPP, which may take a few more months. However, it is important to note the first step in one of Singh Committee's recommendations: The selection of strategic partners. DefMin Parrikar constituted a Task Force under V K Atre (a distinguished scientist and former head of DRDO) to lay out selection criteria for strategic partners (about a dozen are likely to be selected – two each in six identified technologies – aircraft, warships, armoured fighting vehicles, complex weapons, network centric solutions, and strategic materials). An increase in indigenous contents in procured weapons would also be given a top policy priority.

While recommendations on DPP and 'Make in India' are at an early stage of deliberations, Atre's Task Force's criteria formulation will be watched by stakeholders closely. It is assumed that Atre may put in stringent criteria for selection of strategic partners. Indian defence procurement and production planning are currently undergoing a new phase of evolution, with cumulative impacts realised in a few years. A set of four trends is visible:

- The Indian military equipment modernisation process will necessitate induction of all kinds of systems;
- The bulk of such systems would likely to be procured through collaborative arrangements (mostly between foreign OEMs and Indian companies);
- The procedures and processes would witness incremental improvements, which will otherwise delay procurement; and
- Indian private companies of different size and capabilities would be encouraged to create a viable Indian MIC.

It will be interesting to see how much time the MoD will take in getting recently signed contracts fructified. It will also be interesting to see how collaborative models succeed. Needless to mention, the current government seems determined to make the Indian defence production sector competitive, to meet the demands of the IAF through domestic sources, and reduce import dependency.



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