


Government of India
Ministry of Defence
Department of Defence Production
D(EPC)
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Room No. 9A, South Block, New Delhi

Sub: Scheme for Promotion of Defence Exports.

The undersigned is directed to circulate herewith "Scheme for Promotion of Defence Exports" approved by Raksha Mantri for information and necessary action of all concerned.

Encls.: **As above**


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To,
DGQA / DGAQA / DGAQ(N)
FA(DS) / Vice Chief of Naval Staff / Vice Chief of Air Staff / Vice Chief of Army Staff
DG (Acquisition)

MoD, DDP ID No. 1(01)/2018-D(EPC) dated 04/10/2018

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SCHEME FOR PROMOTION OF DEFENCE EXPORTS

1. Preamble

The Draft Defence Production Policy 2018 has set an objective to enhance annual Defence Exports to Rs.35,000 crores by the year 2025. The current defence exports are hovering in the range of Rs.3000 crores to Rs.5000 crores annually. After the opening up and liberalization of the defence sector in the year 2001, significant gains have been made by the private sector in defence production. However, the same is not getting translated into export orders. In order to provide an opportunity for such manufacturers to market their products globally, a scheme is being proposed titled "Defence Exports Promotion Scheme".

2. OBJECTIVE

The objective of the scheme is to provide two options to the prospective defence exporters for improving the marketability of their products globally.

3. PROPOSAL

The scheme proposes to provide various options to the prospective exporters listed as below:-

3.1 CERTIFICATION

The procurement for Armed Forces are presently done through the Defence Procurement Process (DPP) & Defence Procurement Manual (DPM) route. Further, the procurement through DPP route, as per DPP 2016, is under 05 categories i.e. **'Buy' (Indian – IDDM), 'Buy' (Indian), 'Buy and Make' (Indian), 'Buy and Make', 'Buy' (Global)** and the orders are placed on lowest bidder on L-1 basis after following the due procurement process.

In a procurement situation wherein more than one vendor is technically qualified, the scheme proposes to create mechanism to grant relevant certificates to the technically qualified bidders for their respective products and the associated specifications. A certificate would be issued by DoD and titled "Fit for Indian Military Use". This certificate can then be produced by the prospective exporter for marketing their products suitably in the global market.

3.2 TESTING AND CERTIFICATION

In case, a particular product is not required by Indian Armed Forces while an Indian defence manufacturer has the capacity and has produced such an item which may be suitable for export or has an export potential, the scheme would provide such an exporter/manufacturer access to the testing infrastructure of MOD for initial validation of the product and its subsequent field trials. This facility would be subject to the following conditions:-

- (i) Based on the SQRs provided by the exporter/manufacturer.
- (ii) Item is a high value product and a system in itself.
- (iii) Item has huge potential in International market and could be exported considering the export control regulations.

(iv) Testing could be done without any disruption to the trial platform and operational aspects of the forces.

The test facility/ranges shall be shared/provided on time/days basis to be decided by the Services/Test Labs specifically dedicated for testing of such products. The cost for testing and evaluation would be arrived on a 'case to case' basis and would be borne by exporter/manufacturer.

The DDP shall also separately notify the internationally accredited labs/testing facilities where the exporter/manufacturer can directly approach for testing and certification of their products.

4. Authority to issue Certification

After the Field Evaluation Trials, DGQA, DGAQA, DGAQ(N) and other DDP notified Agencies would issue the certificates under both the options. The Certificate would be in the form of a letter that should invariably include the complete specifications, the Indemnity and the Validity Clauses.

The validity of the certificates can be decided based on case to case basis depending on the technological levels and other specifications.

5. IMPLEMENTATION

The certificates shall be issued by the certifying agencies i.e. DGQA/DGAQA/DGQA(N).

6. MONITORING

DDP shall be the nodal agency for monitoring the progress made through this scheme in promoting defence export.
