

# Make in India Summit - Seminar Proceeding

**AUTHOR BY | BRIG RANJIT SINGH, SENIOR FELLOW**

**Summary of The Defence** – Make In India Summit Manekshaw Centre - 21 Jan 2016

1. Conduct. Hon'ble RM presided over the event attended by the Army and Naval Chiefs, Secretary DDP, Secretary MSME amongst others. This sent a positive signal to the environment and conveyed the seriousness of the leadership towards reforms within the ministry and the three services. The industry majors too attended the meet in large numbers. The credibility of CENJOWS, sustained support of HQ IDS and visibility of TV18 also lent credence to the entire summit.

2. Hon'ble Raksha Mantri Shri Manohar Parikar. The Hon'ble RM reiterated that the political leadership seeks a change in the mindset of the bureaucracy as well in the three services. He emphasized that numerous positive changes are being steered to ensure procedural as well as mindset shifts, 'it is a work in progress'. He stated that the Defence Procurement Policy 2016(DPP), being issued shortly, will pave the path for the realization of 'Make In India'. Transparency, financial probity and decisiveness are key factors. He further outlined that strategic partner approach was critical for propelling the country to design and manufacture military hardware and be self reliant in defence needs.

3. Congruence of Industry and Defence Services. It is accepted that MSMEs are the real absorbers of ToT and the creator of skill sets. Innovations are being seeded as these units are favorably disposed to risk taking. It was also agreed that their empowerment is critical for industry growth. Tier II vendors should grow to become Tier I suppliers and they in turn should innovatively aim to become original equipment manufacturers.

4. The services felt that as users they need not aim for the most complex equipment as this approach comes with a baggage. The niche equipments with cutting edge technologies are not sold by the country of origin. The latest equipments in the markets do not come with offsets and ToT that would be favorable to us. Our local manufacturing cannot catch up in indigenization since we remain perpetually in the import cycle. As an analogy, the users felt that we need not

buy the latest Iphone 6 if our requirements are met by Iphone 5. If we purchase Iphone 5 with favorable offsets/ ToT we get to manufacture in India, improving skill sets and eventual innovation/ design being born in that field.

5.Way Ahead. The following are the takeaways from the seminar:-

- (a) Change in mindset required for the bureaucracy, DRDO and services.
- (b) The DPP 2016 enables the nation and services to maximize 'Make in India'.
- (c) Strategic partner approach will enable design and manufacture of military hardware including major complex equipments by the industry and should be encouraged.
- (d) MSMEs be enabled as they are the real absorbers of ToT and the creator of skill sets
- (e) The users felt that indigenous equipment should be preferred over ex- import, even if the indigenous one may be a notch lower technology. Indigenous equipment have better life cycle sustenance and minimum equipment down time. There are major advantages in inducting indigenous equipment as it makes the military capabilities and the nation self reliant and self sustaining.
- (f) Nearly eighty percent of military hardware is low to medium technology and the user - developer and manufacturer should work as one to ensure early induction of indigenous equipment.