

DEFENCE MANUFACTURING

FM suggests PPP model to build critical armaments

Jaitley says private manufacturers equal partner in such ventures

FE BUREAU

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DEFENCE AND FINANCE minister Arun Jaitley on Sunday suggested manufacturers could use the PPP (public-private partnership route) route to build critical defence equipment for the country.

Making defence equipment, Jaitley observed, was not just the prerogative of the government, the private sector was an equal partner. "The government could play the role of a catalyst. We have broken away from the restrictive policies of the past and want to unleash both public and private entrepreneurship and innovation," Jaitley said. Speaking at the IX Convocation of the Defence Institute of Advanced Technology (DIAT) in Pune, Jaitley said India would evolve into an important hub for defence

research and manufacturing.

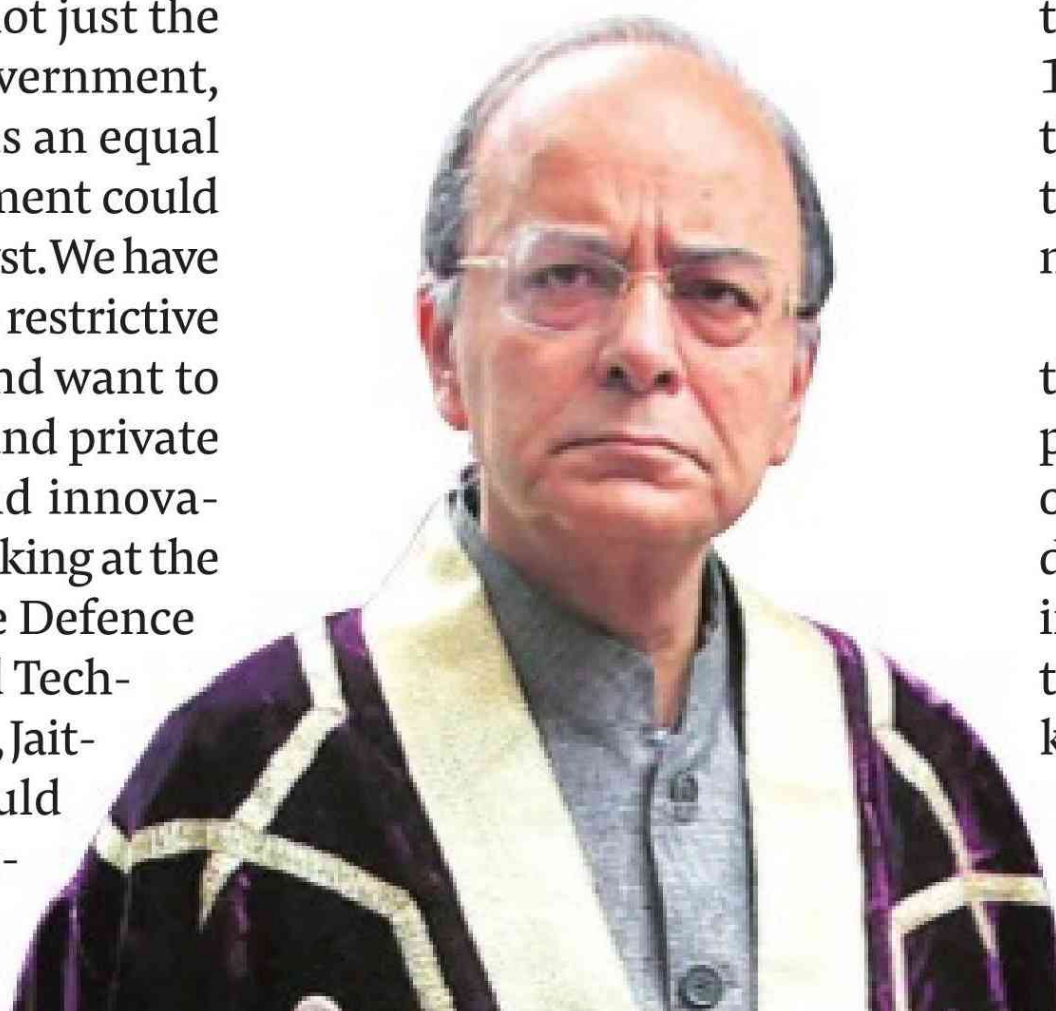
Last week, the Cabinet approved the strategic partnership model for defence manufacturing enabling joint ventures between local and foreign defence equipment makers. These partnerships are expected to give Indian defence players a leg up in their businesses. Among those that would benefit from the policy are Mahindra & Mahindra, Larsen & Toubro, Tata Group and Bharat Forge.

Quoting former Prime Minister Atal Bihari Vajpayee who had said the course of history could be changed but not geog-

raphy, Jaitley observed India was destined to have neighbours who threw up challenges. "We have continuously battled both insurgency and war. These are all importance battles to be fought. But we cannot depend on armaments and equipment from others to fight these battles," the minister asserted.

A defence manufacturing industry in the country was important both for national security as well as for economic growth, the minister noted, adding that the development of the manufacturing sector would help shift a large section of the population currently underemployed in agriculture to other sectors. "India has 17% of the world population and the population is taking easily to technology and adopting technology," he pointed out.

Jaitley observed that while the conservative policies of the past had prevented the growth of the defence, the new India was different. "It is not a defensive industry anymore and is willing to integrate globally, share knowledge, get knowledge and improve," he said.



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THE MINISTER expressed hope both companies and institutions such as DIAT would play an important role in filling the gaps in technology over the next few years. “Technology has been used by many as an instrument of economic growth. To evolve as a manufacturing nation, the backbone has to be technology,” he said. At the convocation cere-

mony, 134 students, officers and scientists received their PhD, MS and M Tech degrees from the defence minister. DIAT is a university of the ministry of defence and is focused on education, research and training in advanced defence technologies.