CARACAL ON THE TRIGGER FOR ‘MAKE IN INDIA’ INITIATIVE



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Historically, India’s defence requirements were typically met through imports. A report titled ‘Trends in World Military Expenditure, 2019’ indicated that with an expenditure of US$71.1 billion, India was the third-largest military spender in the world, just behind the US and China. Since the introduction of the Indian Prime Minister Narendra Modi’s ‘Make in India’ initiative in 2014, India has witnessed a gradual shift towards indigenous defence production. The country has pivoted its focus from imports, favouring in-country modernisation over the business as usual approach, in a bid to strengthen its economic policies and better serve its people.

From 2014 until end-2019, the Ministry of Defence (MoD) had signed more than 180 contracts with the Indian defence industry, valued at over US$25.8 billion. The ‘Make in India’ programme has provided an impetus to the private sector and foreign Original Equipment Manufacturers (OEMs) to form strategic partnerships and cater to domestic as well as global markets.

The ‘Make in India’ initiative and more specifically, the ‘Atmanirbhar Bharat’ policies, substantiate India’s focus on creating a prosperous country with an emphasis on augmenting domestic manufacturing and industrial capacity. In this direction, it reflects our own efforts in the UAE, where our fundamental priorities focus on diversifying away from an oil economy and building a local knowledge-based economy.

In a bid to modernise defence manufacturing and become self-reliant, India recently launched the new Defence Acquisition Procedure (DAP) 2020. The new policy further embeds the philosophy of ‘Make in India’ and ‘Atmanirbhar Bharat’ in the field of defence production. DAP 2020 lays the foundation for prospective foreign companies to progressively manufacture and support the domestic ecosystem at the component level, stipulating that manufacturing must include at least 50 percent indigenous content. This provides a renewed opportunity for companies such as CARACAL to engage with India in the defence manufacturing sector at a different level.

The recommendations in DAP 2020 strike a balance between indigenous supply, self-reliance, domestic capability and the modernisation needs of the armed forces through import. We welcome this initiative and believe this can be a win-win for the Indian Ministry of Defence and manufacturers like ourselves, who are deeply invested in India. Not only are we prepared to supply quality weaponry that leverages cutting-edge technology, but also facilitate the transfer of technology and research and development facilities to India to build a more substantial ecosystem.

Because we appreciate the underlying rationale for in-country production, we have refocused our proposition to now start manufacturing 100 percent in India.

The UAE and India have a legacy of strong bilateral relations and a long, shared history. As a strategic partner, we are supportive of India’s defence self-reliance and modernisation. We are confident that through technology transfer, facilitation of research and development, indigenous production, and local sourcing and partnerships, our present synergy with India – will only further reinforce our historic ties.