

Towards Aatmanirbharta: Defence negative list announcement

- India's Defence Ministry announced a list of 101 items on which an import embargo will be introduced beyond a given timeline indicated against them
- All stakeholders from the industry to the Armed Forces were consulted when preparing this list
- The DMA, in consultation with all stakeholders, would further continue populating the list
- The embargo is planned to be implemented over a period of 4 years from now till 2024. More importantly, the list comprises not just components and parts but some end-use items including among other artillery guns, LCHs, radars, AFVs
- Almost 260 orders for such items worth INR3.5 lakh crore were contracted from April 2015 to August 2020. During 2020-2024, total orders worth INR130,000 crore each by the Army and the Air Force along with INR140,000 crore by the Navy are expected. This makes it a total order flow worth INR400,000 crore in the coming four years
- As announced during the Aatmanirbhar Bharat Abhiyaan, the MoD has also bifurcated domestic and foreign capital procurements with INR52,000 crore being a separate budget head for domestic procurements in the current year itself. *While there is limited clarity as of now on whether this amount will increase in subsequent budgets, but given the list, it is expected to be so*
- The draft DAP 2020 would also be accordingly formalized to ensure that no item in this negative list features for imports in the future
- The list of 101 items contains 69 items with an indicative list of import embargo effective December 2020, 11 items from December 2021, 21 items from December 2022.

Few of the important items with indicative embargo date of December 2020

120mm AFSAPDS	SRSAM (land variant)	Tank simulators	155mm / 39 cal ULHs
7.62x51 Sniper rifle	Shipborne cruise missile	LCH	Bullet proof jackets and Ballistic Helmets
Tracked SP gun 155mm x 52cal	MBRL (Pinaka variant)	Light Transport Aircraft	Missile Destroyers
Towed Artillery gun 155mm x 52 cal	Battalion support weapons simulators	Field Artillery Tractor (FAT) 6x6 for medium guns	

Source: *Livefist*

- The list of items with an indicative date of Dec 2021 includes Wheeled AFVs, Light Machine guns, 125mm AFSAPDS, 7.62 x 39mm Assault rifle, Conventional submarines. The same list for December 2022 onwards, includes 40mm UBGL, 155mm artillery ammunition, EW systems, Small jet engines with 120 kgf thrust, 30mm VOG 17, Electronic fuses, BMCS, LR land-attack cruise missiles. (Source: *Livefist*)
- The indicative list is largely in consonance with the list of platforms put out in the Draft Defence Production Policy of 2018 for self-reliance by 2025
- It is vital to note that most of the items included in the list have significant imports as of today. While this does give a considerable impetus to the domestic defence industry, the date of an embargo is indicative as of now. It is now up to the industry, both including public and private entities to prove their capabilities
- A concerted effort will be required to ensure these indicative timelines are met.