



Indigenous Defence Production Hits Record

[Source: TH](#)

Recently, India's **indigenous defense production** reached a record high of **Rs 1.27 lakh crore** in **2023-24**, a **growth of 16.7%** over the FY 2022-23.

- The value of defense production in FY 2022-23 was **Rs 1.08 lakh crore**.
- **India's annual defense production target is set to reach Rs 3 lakh crore by 2028-29.**
- 79.2% of the total value of production came from Defence Public Sector Undertakings (DPSUs) and other PSUs, while 20.8% was from the private sector.
- The **growth in defense production value** has been over **60%** since 2019-20.
- **Defense exports grew by 32.5%** from Rs 15,920 crore in FY 2022-23 to reach **Rs 21,083 crore** in **2023-24**. It is expected to reach Rs 50,000 crore by 2028-29.
- The defence budget for 2024-25 has been allocated **Rs 6.21 lakh crore**. **Capital acquisition projects** worth over Rs 4,35,000 crore have been approved in 2023-24.
 - 75% of the capital acquisition budget has been earmarked for procurement from local companies.
- The significant growth in the Indian defence sector is attributed to policy reforms, **Ease of Doing Business** initiatives, and comprehensive digital solutions, reflecting global acceptance of Indian defense products and technologies.

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DEFENCE MANUFACTURING



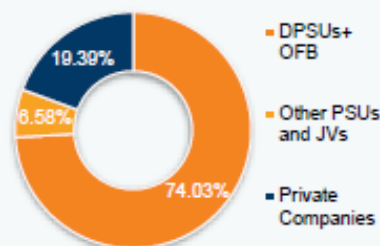
MARKET SIZE

Defence Production in India (US\$ billion)



SECTOR COMPOSITION

Defence Production in India by Sector in FY23 (%)



Value of Production by Defence PSUs (US\$ billion)

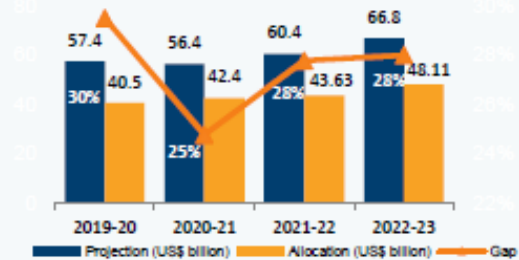


Note: *Until November 17, 2023

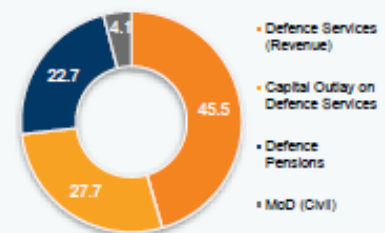


KEY TRENDS

MoD's Resource Projection and Allocation under Defence Services Estimates



Breakdown of fund allocation in Defence Industry as per the Budget 2024-25



GOVERNMENT INITIATIVES

Increased Cooperation with Vietnam on Surveillance and Shipbuilding Technology



भारत सरकार
MINISTRY OF DEFENCE

Defence Production and Export Promotion Policy 2020

Defence Park in Kerala to Promote MSMEs and Boost 'Make in India' Initiative



ADVANTAGE INDIA

- **Growing demand:** Till April 2023, a total of 606 industrial licences were issued to 369 companies operating in the defence sector. Defence exports rose 240% over five years in FY23, to US\$ 1.9 billion (Rs. 15,918.16 crore); India now exports to over 85 countries due to collaborative efforts. Defence exports US\$ 2.63 billion in FY24, up by 32.5% from last year
- **Competitive advantage:** India has the world's fourth-largest defence expenditure, as of 2022, and has set a target of US\$ 6.02 billion (Rs. 50,000 crore) worth of annual defence exports by 2028-29. India's defence budget of US\$ 74.7 billion ranked fourth highest globally in 2023.
- **Government support:** Under the Atmanirbhar Bharat Initiative, five positive indigenization lists of 509 products have been promulgated by the Department of Military Affairs and Ministry of Defence to be manufactured domestically for the defence sector, instead of being sourced via imports.
- **Opportunities:** The government has established 2 Defence Industrial Corridors in Uttar Pradesh and Tamil Nadu. India has around 194 defence tech startups building innovative tech solutions to empower and support the

Read More: [Defence Exports Touch Record High.](#)

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