



## India Leads Global Arms Imports Amid Shifting Dynamics

**For Prelims:** [Stockholm International Peace Research Institute](#), **India's Arms Import Dynamics**, [Positive Indigenisation Lists](#), [Defence Industrial Corridors](#), [Innovations for Defence Excellence](#).

**For Mains:** Recent Indian Government Initiatives Related to the Arms Industry

**Source:** TH

### Why in News?

The latest data on international arms transfers from [Stockholm International Peace Research Institute \(SIPRI\)](#), India emerged as the **leading arms importer globally during the period from 2019 to 2023**.

- During this timeframe, India's imports increased by 4.7% when compared to the period from 2014 to 2018.

### What are the Key Highlights of Recent SIPRI Data?

- **Arms Importers:** Nine of the 10 biggest arms importers in 2019–23, including the top 3 of **India, Saudi Arabia and Qatar**, were in Asia and Oceania or the Middle East.
  - Notably, Ukraine also rose as the **4<sup>th</sup>-largest arms importer** globally during this period.
- **Arms Exporters:** The **United States**, the largest arms supplier globally, witnessed a 17% growth in arms exports between the periods 2014–18 and 2019–23.
  - Concurrently, France ascended to become the **world's second-largest arms supplier**.
  - Europe accounted for a third of global arms exports, with a strong military-industrial capacity.
  - In contrast, Russia experienced a significant decline of more than half, with a decrease of **-53%**
- **India's Arms Import Dynamics:** Although Russia remained India's primary arms supplier, accounting for **36% of its arms imports**, this marked the first five-year period since 1960-64 where Russian deliveries made up less than half of India's total arms imports.
  - India is now increasingly turning to Western countries like **France and the USA**, as well as boosting its domestic arms industry, to meet its growing defence needs.

### What is SIPRI?

- It is an independent international institute dedicated to research into conflict, armaments, arms control and disarmament.
- It was established in **1966 in Stockholm (Sweden)**.
- It provides data, analysis and recommendations, based on open sources, to policymakers, researchers, media and the interested public.

## What are the Recent Indian Government Initiatives to Reduce Arms Imports?

- **About:** The [Indian Defence sector](#), the second largest armed force is at the cusp of revolution.
  - In the [Interim Budget 2024-25](#), the Defense Ministry received a total allocation of ₹6.2 lakh crore.
  - Within this allocation, ₹1.72 lakh crore was designated for capital expenditure, specifically for new procurements.
    - This capital allocation reflected a **5.78% increase** compared to the Budget Estimates from 2023-24.
- **Initiatives:**
  - **Positive Indigenisation Lists:** The government releases [Positive Indigenisation Lists](#) to identify specific components and subsystems that must be manufactured domestically.
    - The Department of Military Affairs has recently released the **5th Positive Indigenisation List**, which includes 98 items, further bolstering indigenous manufacturing in the defence sector.
  - **Increased FDI Limits in the Defence Sector:** It has been increased in 2020 to **74%** through the Automatic Route and up to **100%** via the Government Route.
  - **Defence Industrial Corridors:** Two dedicated [Defence Industrial Corridors](#) have been established in Tamil Nadu and Uttar Pradesh to boost defence manufacturing.
    - The Uttar Pradesh corridor encompasses nodes in Agra, Aligarh, Chitrakoot, Jhansi, Kanpur, and Lucknow.
    - The Tamil Nadu corridor includes nodes in Chennai, Coimbatore, Hosur, Salem, and Tiruchirappalli.
  - **Innovations for Defence Excellence (iDEX):** iDEX aims to create an ecosystem for innovation and technology development in Defence and Aerospace.
    - It engages various stakeholders such as industries, MSMEs, startups, innovators, R&D institutes, and academia, providing them grants, funding, and support for R&D with potential for **Indian defence and aerospace needs**.
    - The initiative is funded and managed by the **Defence Innovation Organization (DIO)**, established as a not-for-profit company under the Companies Act 2013.
  - **SRIJAN Portal:** It is a one-stop shop for vendors to find opportunities to manufacture defence equipment that was previously imported.
    - Defence Public Sector Undertakings (DPSUs) and other government agencies can use SRIJAN to post details about specific items they want indigenized.
    - This allows Indian companies to express their interest and collaborate on production.

## Way Forward

- **Defence Innovation Zones:** Designating specific geographical areas as **defence innovation zones**, offering infrastructure support, and regulatory flexibility to attract defence startups and high-tech companies.
- **Streamlined Procurement Process:** Simplifying and expediting the procurement process for indigenous defence products to encourage domestic production.
  - Implementing **transparent and efficient procurement policies** that prioritise locally manufactured goods.
- **Incentivize Indigenous Production:** Providing **financial incentives, tax benefits, and subsidies** for companies engaged in indigenous defence manufacturing. Create a conducive ecosystem for defence startups and small-scale enterprises to thrive.
- **Boosting Exports:** Building a strong defence export industry that can generate revenue to support further R&D and reduce reliance on solely domestic budgets, similar to Israel's model.

