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Defence sector

Currently, India is the third largest arms importer accounting for 9.2% of global imports and second largest country to have high military expenditure.

→ Therefore India needs to produce indigenous arms not only for the sake of exporting but also to attain self-reliance and for tackling issues in border areas.

→ This is where start-ups can play a vital role as India has 3rd largest startup ecosystem in the world, about 20,000 startups

→ According to Ministry of commerce and industry about 1,300 startups popped up in 2019.

→ But Hurun Global Unicorn list 2020, points out that defence sector does not occupy the first 10 sectors in the economy

Hence the government must take various measures to provide a platform for start-up development,

- i) providing marketing support and tax incentives.
- ii) Subsidised land must be provided for setting up industry.
- iii) The procurement process of inputs must be made easier.
- iv) Must enable the startups to approach friendly nations for technological aid.

Government schemes

- Various schemes like Defence India Startup Challenge (DISC) and Indigenous Defence Excellence (IDEX), has been rolled out for start-up development.
- Recently government has procured 83 Tejas Aircraft from HAL.

Conclusion:

Indian startups has revolutionised financial service, e-commerce and retail sector.

Therefore, it is the a right time for India to invest in defence sector and allow startups to revolutionise this too.