

World sees India as safe place for defence manufacturing: Piyush Goyal

Synopsis

The House of Commons was told earlier this month that India and the UK are due to finalise a "Letter of Arrangement" to help deliver advanced security capabilities through joint research, co-design, co-development and joint production of defence technology and systems. Goyal, who was in conversation with IGF Founder Manoj Ladwa across different sectors of the Indian economy, said that despite "black swan events" like the Covid-19 pandemic and Russia-Ukraine conflict, Indians are looking at the future with optimism.



Union Minister for Commerce & Industry Piyush Goyal.

There is a lot of interest among international companies, including in Britain, for [defence manufacturing](#) in India because the world sees the country as not only a big marketplace but also a safe place to work, Minister of Commerce and Industry [Piyush Goyal](#) said in London.

The minister, who is on a two-day visit to the UK on his way back from the World Economic Forum ([WEF](#)) in Davos, told PTI during an [India Global Forum \(IGF\)](#) event on Thursday evening that the [defence](#) sector offers a natural potential investment opportunity in India because of the government's open policies.

"The whole world realises that India is a big market place, a safe place to work with in terms of manufacturing in defence equipment, particularly because we don't insist on technology transfer, we even allow coveted technologies to be owned fully by foreign investors," said Goyal.

"There is a lot of interest in companies around the world to look at manufacturing defence in India. Defence will be a very natural potential investment opportunity in India, given our large spending on defence and given also the fact that we opened our doors now to invite more and more companies to come and manufacture in India. In fact, there was interest shown by British companies who would like to come and invest in India and we are keen to discuss further," he said.

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"There's a big difference between the mood in India and the mood in the rest of the world. In India, there's a lot of excitement about the future, our young India is looking at the future with great hope and aspiration," said the Union minister, who also holds the Consumer Affairs, Food & Public Distribution, and Textiles portfolios.

"Davos, unfortunately, represented quite a bit of doom and gloom. Most of the engagements showed that participants were very disturbed, concerned, slightly pessimistic about the future of multilateralism, already talking about deglobalisation... Challenges are there to be overcome. We in India look at the future with great optimism, we believe these things will also pass as have many other challenges," he said.

Asked about India's ban on wheat exports, Goyal said the move was aimed at curbing "speculative hoarding" and to ensure the grain gets to the less developed countries who need it most.

He stressed that India exports a very small percentage of the world's supplies and stands ready to support vulnerable countries in need.

"Inflation bites across the world, prices have been at an all-time high. Food inflation poses a challenge for every country, including India," he said.

"We have asked the [WTO \(World Trade Organisation\)](#) to allow us to do government to government contracts to help poor countries out of our public holding stock, which is forbidden. I hope the WTO relents on this unfair and discriminatory treatment of the less developed and developing world," he added.

On a question about the impact of inflation on the ongoing free [trade](#) agreement (FTA) negotiations between India and the UK, the minister said he hoped that a deal would help reduce costs in the long run.

"If at all, an FTA helps to bring down costs, not add to costs. And, an FTA is not for an immediate solution for a problem that you are faced with today. It is addressing concerns for the long term. Obviously, if it's a good deal, it should start having an impact even today and that's what we are aiming for, an agreement that will be good for the people of the United Kingdom and India, businesses in both countries, and fair and equitable in terms of the different size and type of economy that are involved," he said, indicating that the Diwali timeline set for a draft FTA to be ready remains on track.

During his UK visit which concludes on Friday, Goyal's schedule involved bilateral talks with his British counterpart, Trade Secretary Anne-Marie Trevelyan, to review the ongoing FTA negotiations ahead of the fourth round of talks next month and interactions with business and industry chiefs to address them on the government's position in the talks.