

UP Aerospace & Def Unit Policy gets cabinet's nod

Shailvee.Sharda
@timesofindia.com

Prayagraj: To boost the state's defence and aerospace sector by attracting new players, the Uttar Pradesh cabinet approved the UP Aerospace and Defence Unit and Employment Promotion Policy 2024 on Wednesday. The revamped policy targets Rs 50,000 crore in investments and aims to create direct employment opportunities for one lakh youth across the state.

Sharing details, Infrastructure and Industrial Development principal secretary Alok Kumar said, "The policy aims to strengthen the aerospace and defence (A&D) sector in Uttar Pradesh by creating a robust, hi-tech, and efficient A&D manufacturing ecosystem within the UP Defence Industrial Corridor (UPDIC). It also seeks to attract startups and investments for the development of state-of-the-art facilities in the sector."

The policy offers significant incentives, including

front-end subsidies for A&D units, land subsidies, stamp duty exemptions, and capital subsidies. Additionally, the govt will provide benefits such as exemptions on transportation charges, with special provisions for women entrepreneurs to en-



courage their participation in the sector.

Citing examples, Kumar said that the state would extend an upfront land subsidy of 25% to anchor and mega anchor units, along with a 100% stamp duty exemption. Additionally, a capital subsidy of 25% would be provided to those setting up units in the western and central parts of the state, while 35% would be offered

to those establishing units in Bundelkhand and Purvanchal.

It may be noted that the Ministry of Defence set an ambitious target to double the country's A&D production to \$25 billion and exports to \$5 billion by 2025-26. By 2047, the A&D manufacturing sector is expected to contribute 25% to the nation's GDP.

To achieve these goals, two defence industrial corridors, one in UP and another in Tamil Nadu, have been established, positioning UP as a key player in this transformative vision.

Later, a govt spokesperson said that the improved policy framework will help accelerate indigenous capabilities, foster innovation, and promote global collaboration to enhance national security and economic prosperity.

He also informed that A&D-based common facility centres are planned to enhance the skills and capacities of startups and MSMEs in the UPDIC.