

# UP to develop vendors' chain to bolster India's defence manufacturing

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Uttar Pradesh (UP) is working on a roadmap to develop a supply chain of vendors to boost India's aerospace and defence (A&D) production to \$25 billion and exports to \$5 billion by 2025-26.

The proposed defence MSME (micro, small, and medium enterprise) corridor comprising hubs of ancillary units will primarily feed the UP Defence Industrial Corridor (UPDIC).

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domestic and global players. So far, the UPDIC has received private investment of more than ₹30,000 crore across its six nodes in Aligarh, Agra, Kanpur, Lucknow, Chitrakoot, and Jhansi.

Some key investors in UPDIC comprise Bharat Dynamics Limited in Jhansi, Adani Defence System and Technology in Kanpur, DRDO-BrahMos Aerospace in Lucknow.

The UP defence MSME corridor will align with the UPDIC and create an indigenous supply chain to bolster the state's economic landscape with indigenous vendors.

According to UP MSME minister Rakesh Sachan, the proposed defence MSME corridor will supplement the ancillary value chain, while the state government will support entrepreneurs with capital and land subsidy, stamp duty waiver, and state goods and services tax reimbursement.

Nearly 5,000 hectares has been earmarked under UPDIC across its six nodes, of which more than 1,500 hectares have already been acquired by nodal agency UP Expressway Industrial Development Authority.

Each node is dedicated to different defence products – Aligarh encompasses drones, small arms, spare parts; Kanpur, special uniform and textiles for security personnel, arms, bullet proof jacket, spare parts, parachute; Jhansi, arms, ammunition, training centre; Lucknow, BrahMos missile, aerospace, and Agra, non-polluting units, electronics.

Last month, the UP government approved the Aerospace and Defence Unit and Employment Promotion Policy 2024, which also entails generating employment for 100,000 youth. The policy offers up to 80 per cent subsidy on land to the foreign firms investing in the state.