

GOVERNMENT OF INDIA
MINISTRY OF CIVIL AVIATION
RAJYA SABHA
UNSTARRED QUESTION NO : 821
(TO BE ANSWERED ON THE 25th July 2022)

DRONE MARKET IN THE COUNTRY

821. SHRI DEREK O' BRIEN

Will the Minister of CIVIL AVIATION be pleased to state:-

- (a) the size of the drone manufacturing sector and drone market in the country
- (b) the value of imports of drones and drone parts
- (c) the measures Government is taking to ensure improvement of domestic production and import substitution of drones and drone parts and
- (d) the expected benefit to the economy and employment by improving drone manufacture and usage?

ANSWER

MINISTER OF STATE IN THE MINISTRY OF CIVIL AVIATION

(GEN. (DR) V. K. SINGH (RETD))

(a) to (d) Drones offer tremendous benefits to several key sectors of the economy - agriculture, medicine delivery, search and rescue, mining, surveillance, transportation, mapping, defence and law enforcement to name a few. It is estimated that the annual sales turnover of the Indian drone manufacturing industry may grow from approximately Rs 60 crore in 2020-21 to approximately Rs 900 crore by 2024-25.

According to the Directorate General of Foreign Trade (DGFT), a separate tariff line (8806) was created vide Finance Act 2021, which came into effect from 1st January 2022. There is no specific accounting of actual drone imports effected prior to this date. Thereafter on 9th February 2022, DGFT, vide notification No. 54/2015-2020, prohibited import of drones, except for R&D, defence and security purposes.

Drone parts are imported under various other tariff lines. Further such generic parts may be used in assembly of equipment other than drones as well. Hence, according to DGFT, obtaining import statistics for drone parts is not feasible.

The Production-Linked Incentive (PLI) scheme for drones and drone components was notified on 30th September 2021. The Government will provide a total

incentive of Rs 120 crores, spread over three financial years. A provisional list of 23 PLI beneficiaries was released on 6th July 2022. The beneficiaries include 12 drone manufacturers and 11 drone component manufacturers.

The combined annual sales turnover of the PLI beneficiaries has increased from approximately Rs 88 crore in FY 2020-21 to approximately Rs 319 crore in FY 2021-22. Given the combined benefits of the liberalised Drone Rules, 2021, the PLI scheme, the prohibition of drone imports and growing utilisation, the Indian drone industry's turnover and employment is likely to increase manifold over the next three years.
