

follow us: [f](#) [t](#) [g+](#)

# hindustantimes

epaper

[home](#) [india](#) [world](#) [cities](#) [opinion](#) [sports](#) [entertainment](#) [lifestyle](#) [tech](#) [photos](#) [videos](#) [more...](#)

[cricket world cup 2015](#) | [budget 2015](#) | [movie reviews](#) | [throwback thursday](#) | [board exams 2015](#)

 **CRICKET WORLD CUP 2015** | FEB 14 – MAR 29, 2015

[READ, COMMENT, CONTRIBUTE](#)

## Make in India could hit tech transfer firewall

Rahul Singh, Hindustan Times, New Delhi | Updated: Feb 17, 2015 11:44 IST



 **UTC Aerospace Systems**

Made in India.  
One Powerful Idea.

 **United Technologies**

The litmus test of Prime Minister Narendra Modi's Make in India push will be his government's ability to extract top-end military technologies from foreign governments and contractors, enabling India to build advanced weapon systems indigenously.

The fortunes of the much-touted campaign — aimed at cutting dangerous dependence on foreign supplies and ultimately getting a toehold in the global export market — will depend on the willingness of suppliers to share sophisticated technologies in which they have invested years and billions.

Foreign suppliers will require a strong incentive for such collaboration, if at all they decide to ease restrictions on transfer of technology. Indian and global experts are sharply divided over whether the Make in India pitch will set the stage for the country to master real technologies or will only see weapons rolling off the Indian assembly line.

### Getting top-end tech tough

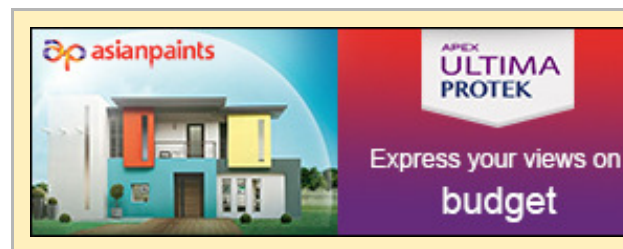
Speaking exclusively to HT, Hindustan Aeronautics Limited (HAL) chief T Suvarna Raju seriously doubted the possibility of proprietary or government/company-restricted technologies flowing into India.

"No country will part with such top-class technologies. Only strategic considerations can change that," said Raju. He explained even India's defence procurement rules laid down that suppliers could hold back 15% of high-end technologies.

Foreign players argue that liberalising foreign direct investment (FDI) beyond the existing 49% could help solve the problem. Yves Guillaume, president India, Airbus Group, said, "It would be much easier for us to transfer cutting-edge technologies to a joint venture in India in which we have management control."

### No need to lift FDI cap

But some experts believe India should not concede to the demand of foreign suppliers to further raise the cap on FDI, arguing that company ownership patterns may have nothing to do with lifting restrictions on technology transfer.



#### top news



'He stabbed me, honey':  
Sydney victim Prabha  
Arun Kumar's last  
words...



Land bill debate  
expected to raise storm  
in Lok Sabha, govt  
reaches...



Punjab: Employee of five-  
star hotel allegedly  
gangraped; child abused

#### most popular



India's only woman  
Muslim pilot has a

HAL's former boss RK Tyagi is one of them. He said, "We need to tell them either share technology or don't come to us. India is a huge market with great export potential." Tyagi added there was no mathematical equation to work out a formula for technology transfer and the quantum would ultimately depend on "the size of the market and the visibility of orders."

Proponents of higher FDI believe foreign suppliers will take the responsibility of the product only if they have management control over the company producing it.

### Limited tech transfer helps too

Licensed production of foreign equipment or 'Make in India' is not the same as indigenising it or 'Made in India.' In the first case, India will co-produce systems with a foreign collaborator with technology transfer. But real indigenisation or 'Made in India' implies the country has designed and developed the systems and owns intellectual property.

"Coca Cola is made all over the world, but will they ever share the formula? No one will give you source codes for missiles. But limited technology transfer can also be good value addition as it will help us branch out in the sector and also create jobs," said former IAF chief Air Chief Marshal Fali Major.



The infographic features a large image of a C295 aircraft in flight. A blue circular callout contains the text "115 C295s are in operation globally". To the right, a list of specifications is provided: "C295 SPECIFICATIONS", "9 tonnes: Payload", "480 kmph: Cruising speed", "5,630 km: Range", "25,000 feet: Cruising altitude", "24 m: Length", and "26 m: Wingspan". Below the aircraft, the headline "GAINING NEW HEIGHTS" is displayed, followed by a sub-headline "BECOMING SELF RELIANT". The text at the bottom states: "The Airbus-Tata consortium has emerged as the sole bidder for a ₹12,000-cr project to replace the IAF's vintage Avro fleet with the".



message to share



Let's talk sex: Peeking into the secret life of Indian women

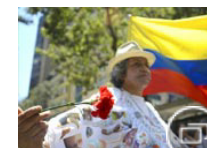


'Jihadi John' apologises to family, but not for beheadings: Report

don't miss

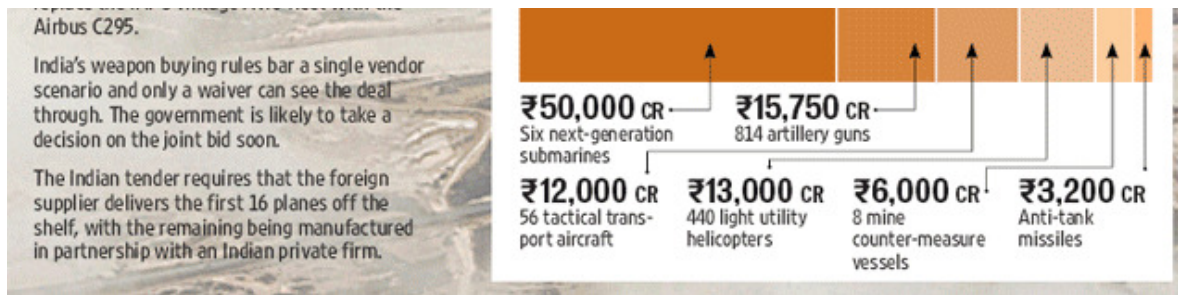
- Coal auction rains revenue bonanza, touches ₹ 1.57 lakh crore
- India's young e-commerce firms head for reality check
- Village businesswomen take sting out of bank strikes
- New PSU bank board to oversee merger moves
- Airtel to double 4G network by next fiscal: Mittal

photos



International Women's Day celebrated across the world





## Slippery slope

Technology transfer is a slippery slope India has gone down before. Crucial projects hit by it involve Scorpene submarines, T-90S tanks, the long range surface-to-air missile (LR-SAM) and the Sukhoi-30 MKI fighters.

"If a foreign firm does not transfer technology, its top management must be held criminally liable for making false declarations. More than 90% value capture happens in technology," said Ashok Atluri, managing director, Zen Technologies, an indigenous firm that manufactures simulators.

Private players have mostly been doing peripheral work in defence sector — ranging from fuselage assembly for US defence giant Boeing's Chinook heavy lift choppers to making cabins for American firm Sikorsky's S-92 helicopters. Atluri said, "We will be doing a pizza delivery job without influx of cutting-edge technologies."

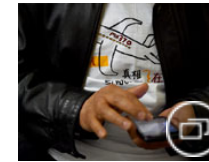
## Absorbing tech

The capacity of Indian companies to absorb high-end technologies has been a subject of heated debate and has been questioned by some foreign vendors. "It's not as simple as throwing designs and drawings across the wall. The aerospace ecosystem has to be such that India becomes globally competitive," said a top executive of an American aerospace firm.

The US recently agreed to share with India high-end technologies related to aircraft carriers, unmanned aerial vehicles and hot engines for fighters. Nothing stops Modi from using his diplomatic clout to get foreign governments to guarantee technology transfer.

## TOMORROW, Part 3: Will the public sector yeild ground to private players

Tags [make in india](#) [tech transfer](#) [HAL](#) [aerospace](#) [defence](#)



One year to MH370 tragedy, families still look for answers



Paris Fashion Week: Bird-watcher's paradise to figure-hugging leather...

## videos



Women's Day: What men can learn from women



No professional misconduct on our part: Defense lawyer in Dec 16 case



Harrison Ford's plane crash captured in amateur video

