

OFFICE OF RAJIV PRATAP RUDY

**MINISTER OF STATE FOR SKILL DEVELOPMENT AND ENTREPRENEURSHIP
(INDEPENDENT CHARGE) AND PARLIAMENTARY AFFAIRS, GOVERNMENT OF
INDIA**

PRESS RELEASE

**Skills Ministry makes a strong pitch for use of Defence
offsets for skilling.**

New Delhi, 3 December 2015: Shri Rajiv Pratap Rudy, Minister of State (Independent Charge) for Skill Development and Entrepreneurship has made a strong pitch for using defence offsets for creation of infrastructure and facilities for skill development in the country with a particular focus on defence and strategic manufacturing skills in India. In a letter sent to the Defence Minister today, he made a strong plea that Defence offsets, if allowed to be used for skill development purposes, will help to enhance country's defence manufacturing capabilities. Use of defence offsets for skilling is also one of the key elements of the MoU on strategic partnership on skill development that was signed between the Ministry of Defence and Ministry of Skill Development and Entrepreneurship earlier this year on 13.07.2015. Thereafter, a proposal for supporting skill training of 50,000 persons and 700 instructors in various skills required by the Aerospace Manufacturing Sector at an estimated value of \$150 million has been under consideration of the Government. Boeing India's proposal is currently under due diligence of the newly formed Aviation and Aerospace Sector Skill Council (AASSC) that draws representation from wide range of stakeholders in the Aviation Sector.

Defence offsets if allowed in this particular case, would be used as a model for use of Defence offsets for skill development purposes. The current Defence offset guidelines do not include skill development services under its purview. However, the new Defence offset guidelines that are under consideration, specifically include creation of infrastructure for skill development to discharge Defence offsets obligations. Defence Offset provisions apply in cases, where Defence Capital Acquisitions of value of Rs.300 crore or more are done. As per the proposed new guidelines under discussion, an outcome based approach will be followed for offset execution wherein a vendor will have the flexibility on process, but has to strictly ensure the realisation of the expected outcomes. These outcomes would now include creation of infrastructure for skill development including training of trainers, provision of teaching aids, preparation of curriculum material etc. Under the proposed guidelines Defence offsets for skill development would be overseen by a

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Committee under the Skills Ministry. This Committee will identify skill sets and related infrastructure required to be acquired through offset route. Identification of skill sets, creation and subsequent certification of skill sets may or may not be related directly to the platform being procured even though the skill sets would be required to relate defence infrastructure and aerospace only. Once the Defence offsets are allowed for skill development purposes, it will give a big boost to skill development efforts in the country, particularly in raising the strategic manufacturing capabilities of the country.