

## **INDIA'S BOLD STEP: LIBERALIZING FDI POLICY IN THE SPACE SECTOR**

In a ground-breaking move aimed at propelling India's space sector onto the global stage, the Union Cabinet, led by Prime Minister Shri Narendra Modi, recently approved amendments to the Foreign Direct Investment (FDI) policy governing the space industry with the most notable aspect of the allowance of 100% FDI in the space sector, signaling India's openness to international investment and collaboration in this strategically significant domain. This strategic decision underscores India's commitment to unlocking the full potential of its space capabilities through enhanced private participation, as outlined in the visionary Indian Space Policy 2023.

### **Under the amended policy, the entry routes for various activities are as follows:**

- Satellites-Manufacturing & Operation, Satellite Data Products, Ground Segment & User Segment - Up to 74% FDI is permitted under the automatic route, with government approval required beyond this threshold.
- Launch Vehicles and associated systems or subsystems, Creation of Spaceports for launching and receiving Spacecraft - Up to 49% FDI is allowed under the automatic route, with government approval necessary beyond this limit.
- Manufacturing of components and systems/sub-systems for satellites, ground segment, and user segment - Up to 100% FDI is permitted under the automatic route, encouraging investment in critical manufacturing capabilities.

In conclusion, the liberalization of the FDI policy in the space sector represents a significant milestone in India's journey towards becoming a global space power. By embracing greater private sector participation and international collaboration, India is poised to realize its vision of leveraging space for the benefit of humanity while driving economic growth and prosperity at



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home. These reforms herald a new era of opportunity and innovation in India's space sector, laying the groundwork for a brighter and more prosperous future.

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