



# Aerospace Manufacturing in India

# Themes

- Market Opportunities for Aerospace Sector in India
- Major players in the Indian Market
- Entering the Indian Aerospace Market



# Opportunities (Defence)

- India has the 3rd largest armed forces in the world
- India is the world's largest arms importer
- India ranked 6th globally in military at upwards of USD50 billion
- Total defence **capital spending** is estimated at USD 75.38 billion between FY 2017 and FY 2020 out of which USD 21 billion is dedicated for aircraft, aero engine and other equipment
- Government has launched **Strategic Partnership Model** under Defence Procurement Policy for segments like single engine fighter aircraft and helicopters
- Relaxation in FDI cap and licensing norms

# Opportunity (Dassault Reliance Aerospace Limited)

- Joint Venture (51% Reliance Infrastructure and 49% Dassault Aviation)
- Dassault-Reliance manufacturing facility Dhirubhai Ambani Technology Park is located in the Mihan SEZ adjoining Nagpur International Airport
- Facility will manufacture several components of the offset obligation connected to the purchase of 36 Rafale Fighters from France
- DRAL will manufacture components for the Legacy Falcon 2000 Series of Civil Jets manufactured also
- It will attract and house an organic ecosystem of over 200 MSME's to secure the component and avionics manufacturing needs of Rafale and Falcon Jets

# Opportunities (Civil)

- In the commercial aviation sector, India remains one of the highest traffic growth markets.
- India is currently considered the third largest domestic civil aviation market in the world.
- It is estimated to become the third-largest aviation market in the world by 2025
- India will need nearly 1,500 new commercial aircraft by 2030
- Freight traffic on airports in India is expected to cross 11.4 million tonnes by 2032
- Growth in import and export in India will be the key driver for growth in freight traffic as 30 per cent of total trade is undertaken via airways

# Opportunities (MRO)

- Indian MRO market is expected to grow at an average annual rate of 15 per cent
- Potential of Indian MRO industry at US\$ 30 billion by 2020
- The Indian MRO industry is relatively underdeveloped, but is experiencing rapid expansion
- Another factor that is driving MRO business in India is availability of low cost manpower
- MRO facilities have fostered the creation of ancillary and associated industries and services

# Key Players in India

- Airbus
- Boeing
- Dassault
- Safran
- Thales



# Entry to Market

- FDI limit under the automatic route is 49% and permissible up to 100% on case by case basis
- Above 49% is subject to the technology qualifying as *modern and state of the art*
- Strategic Partnership Model:
  - One Indian private company would be selected in each segment
  - They would tie-up with the shortlisted Global Original Equipment Manufacturers (OEM)
  - The JV will manufacture the platform in India under the 'Make in India' policy.
  - FDI depends on product type
- Up to 100% FDI is permitted in MRO for maintenance and repair organisations; flying training institutes; and technical training institutes under the automatic route



# Contact

## Ms. Keshu Doshi

- **Manager – ASTech-SYSTEMATIC India Hub**
  - Mumbai 400 001, India

•  
Tel: +91 22 6610 4755

- **Email: [contact@hub-astech-systematic.in](mailto:contact@hub-astech-systematic.in)**

