AERO INDIA 2019
“There are studies that show that even a 20-25% reduction in imports could directly create an additional 100,000 to 120,000 highly skilled jobs in India. If we could raise the percentage of domestic procurement from 40% to 70% in the next five years, we would double the output in our defence industry”.

—Hon’ble PM Narendra Modi

“I encourage the Private Sector to come in the Defence sector because of the agility they have shown. They have identified the opportunity that exists in this area”.

—Hon’ble Minister of Defence Smt. Nirmala Sitharaman

“Indian civil aviation is flying high with double digit growth in domestic sectors, which is the highest in the world. This is the opportune time to invest in manufacturing and operations in civil aviation in India. The government is fully committed to provide the best possible ecosystem for such investments.”

—Hon’ble Minister for Civil Aviation Shri Suresh Prabhu
Aero India is biennial airshow and aviation exhibition held in Bengaluru, India at the Yelahanka Air Force Station. It is organized by the Ministry of Defence and the Ministry of Civil Aviation.

At its 11th edition, held between 14th to 18th February 2017, Aero India 2017 confirmed its status as a premier aerospace event in Asia. This edition of the show saw participation from a total of 549 companies (270 Indian and 279 Foreign), 72 participating aircraft, covering an area of 27,678 sqm and witnessing participation from 51 different countries.

Four aerobatic teams participated in the show including Sarang Team (Indian Air Force), Surya Kiran Team (Indian Air Force), the Scandinavian Air Show Team (Sweden) and the Yakovlevs Aerobatic Team (UK).

**Aero India 2019** presents a unique opportunity to highlight and showcase the enormous potential of the Aerospace & Defence industry and provides a platform to explore and forge strategic business alliances.
AEROSPACE AND DEFENCE SECTOR

OVERVIEW

QUICK FACTS

DEFENCE SECTOR

5th largest defence budget in the world (USD 42.2 Bn)
USD 688Mn worth of exports (2017-18); military exports to 18 countries
DEFENCE BUDGET ALLOCATION

ARMY 55%
NAVY 15%
AIR FORCE 23%

2nd largest armed force in the world (1.3 Mn active personnel)
India contributes 3.7% of the global military expenditure.
DEMAND DRIVERS

KEY OPPORTUNITIES

Government to spend USD 130Bn for fleet modernization in the next 5-7 years across all armed services.

01 Growing Manufacturing Ecosystem

India plans to produce 123 indigenous Light Combat Aircrafts (LCA) Tejas, 1000 military helicopters including Kamov 226, Light Combat Helicopters (LCH), and Advanced Light Helicopters (ALH) in the next 10 years. This will include Trainer Aircrafts, simulators and components for the industry.

02 Naval Aviation

DAC approved acquisition of 24 naval multi-role helicopters capable of anti-submarine warfare, 111 NUHs to be made under Strategic Partnership mode.
03 Advance Medium Combat Aircraft (AMCA) Program
Development of 5th generation fighter aircraft with stealth characteristics.

04 Multi-Role Fighter Aircraft Acquisition
Requirement of 110 aircraft under the Make in India initiative.

05 Life-Cycle and Obsolescence Management
Identification and risk mitigation for parts, spares, equipment, skills (people), and software for service life extension.
CIVIL AVIATION HIGHLIGHTS

Indian MRO business likely to increase from USD 0.7 Bn to USD 1.5 Bn by 2020.

Passenger traffic in India likely to increase from 145 Mn (2011) to 350 Mn (2020)
India will be 3rd largest aviation market in the world by 2020.

India will need nearly 1600 air-crafts worth USD 224 Bn in the next 20 years.
POLICY SUPPORT AND INCENTIVES

FDI POLICY

49%
Automatic Route

100%
Government Route

Ease of doing Business
Reduction of entry barriers for new entrants as the new liberalized regime has removed majority components/parts/sub-systems that require IL for defence manufacturing.

Defence Investor Cell
Defence Investor Cell has been formed under the Department of Defence Production, Ministry of Defence. This will provide the necessary information including answers to queries related to investment opportunities, procedures and regulatory requirements for investments in the sector.
**Defence Export**
List of munition items requiring authorization are put in public domain to avoid ambiguities. Online applications are allowed and Standard Operating Procedure (SOP) for authorizing exports has been put in the public domain with specific time limit for issuance.

**Defence Industrial Corridors**
Development of 2 industrial corridors (Tamil Nadu & UP) dedicated exclusively for defence manufacturing.

**Innovations for Defence Excellence (iDEX)**
Setting up of Defence Innovation Hubs across the country to develop an ecosystem to foster innovation and technology development in the Aerospace & Defence sector by engaging Industries including MSMEs, Startups, Individual Innovators, R&D institutes and Academia.

**Ude Desh Ke Aam Nagarik (UDAN)**
This is a regional airport development and “Regional Connectivity Scheme” (RCS) of the Government of India. Established with the objective to “let the common citizen of the country fly”, it aims at making air travel affordable and widespread while boosting inclusive national and economic development, job growth and air transport infrastructure development of all regions and states of India.

**Strategic Partnership Policy**
Establishment of long term strategic partnerships between the Indian private sector and global Original Equipment Manufacturers (OEMs) through a transparent and competitive process to seek technology transfers and set up domestic manufacturing infrastructure and supply chains.
NODAL MINISTRIES AND DEPARTMENTS

**Ministry of Defence**

The Government of India is responsible for ensuring the defence of India and every part thereof. The responsibility for national defence rests with the Cabinet and this is discharged through the Ministry of Defence, which provides the policy framework and wherewithal to the Armed Forces to discharge their responsibilities in the context of the defence of the country. The Raksha Mantri (Defence Minister) is the head of the Ministry of Defence.

**Department of Defence Production**

DDP was set up in November 1962 with the objective of improving the ease of doing business and providing guidance and support to potential investors. It also aids in FDI clearance, export permissions, testing and certification, promoting startups and innovation in the Defence sector. It is also tasked with promoting Defence PSUs and Ordnance factories in India.
Ministry of Civil Aviation

The Ministry of Civil Aviation of the Government of India is the Nodal Ministry responsible for the formulation of national policies and programmes for the development and regulation of Civil Aviation and for devising and implementing schemes for the orderly growth and expansion of civil air transport.