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Overview of Indian Aerospace Industry



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Background:

India is ranked as the world's 12th largest economy and sustained a growth rate of 8% in 2008. India's highly entrepreneurial and rapidly globalizing private sector are creating new opportunities for US exporters and investors. The United States is India's largest trade partner with bilateral trade estimated at \$32 billion marked by US exports in aerospace, information and communication technologies, electronics and flexible manufacturing systems. However, barriers to trade and investment still remain in India. While tariffs have been significantly reduced, high tariffs, poor infrastructure, cumbersome bureaucracy, corruption, labor market rigidities, regulatory and foreign investment controls still remain. Due diligence, strategic planning, consistent follow-up, and patience are keys to success in this burgeoning emerging market.

Space Sector Overview:

India is one of only six countries that launches its own satellites. The Indian Space Research Organization (ISRO) coordinates and implements civil space programs while its commercial space programs are handled by Antrix Corporation, an arm of India's Department of Space, responsible for promoting and marketing products and services related to the Indian space program (subsystems and components for satellites, launch services and related activities). While the US and India have cooperated on space initiatives for decades, in 2005, the two governments pledged to build closer ties in space exploration, satellite navigation and launch and in the commercial space arena via the Working Group on Civil Space Cooperation (JWG). The year 2008 marked two significant milestones for India's space industry: Chandrayaan-1 and W2M. Chandrayaan-1, India's first (unmanned) scientific mission to the moon was launched, containing two NASA instruments designed to map the lunar surface. This cooperation stemmed from agreements concluded by the JWG. Signaling it is foray into the satellite-manufacturing market, the ISRO-EADS Astrium alliance launched in December a communications satellite for a foreign customer, a deal that yielded a significant profit for the state-owned company. Greater cooperation between the US and India and market opportunities for US companies in the space sector are pending the completion of two agreements: Commercial Space Launch Agreement and the Technology Safeguards Agreement. US export controls (ITAR) continue to be a barrier against significant bilateral cooperation between the US and India and space initiatives.

Civil Aviation:

Reports estimate that India will need over 900 commercial aircraft over the next 20 years. Maintenance, Repair and Overhaul (MRO) operations are required to maintain the growing Indian airline fleets. India's aviation infrastructure desperately needs modernization in order to meet the demand for commercial airlift.

Updated: December 2008.

Sources: CIA World Factbook, US Commercial Service, US Dept of State, TriPolus, California SpotBeam



India

Basic Statistics:
Population: 1.2 billion
Per Capita GDP: \$2,700
Unemployment: 7.2 %

Civil Aviation (cont'd):

In April 2007, the US Trade and Development Agency (TDA), Federal Aviation Administration, and India's Ministry of Civil Aviation signed the US-India Aviation Cooperation Program, a public-private partnership whereby US aviation companies will work with Indian aviation sector officials to highlight areas for bilateral technical cooperation. Opportunities exist for US companies in all aspects of aviation infrastructure including runway design, lighting systems, and airport design, to air traffic/air space management. US companies already established in India include Boeing Commercial Airplane group, UTC's Pratt & Whitney, GE, and Goodrich to name a few. Indirect opportunities exist for Tier 2 aerospace companies to work with Indian aerospace organizations via partnerships and Joint Ventures.

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