## Aerospace industry eyes biz worth app. $1.94 bln

Hindustan Aeronautics Ltd (HAL) has estimated that vendors within the aerospace industry of India will have business opportunities worth Rs 12,500 crore (US$ 1.94 billion) in the near future. It offered the aerospace vendors that feed its aircraft assembly lines a glimpse of major business opportunities ahead.

HAL Chairman T Suvarna Raju told a gathering of the company’s vendors in Bengaluru that they would soon participate in building 100 trainer aircraft — the indigenously designed Hindustan Turbo Trainer–40 (HTT-40). In addition, the Light Utility Helicopter (LUH), of which the Indian Air Force is committed to buying 187 pieces, is nearing certification.

“Given our large number of platforms with the Indian defence forces, we remain committed to increase the scope of work to our vendors to ensure success of our programmes. HAL is looking to produce 100 basic trainer aircraft HTT-40 soon, once spin tests are completed in the coming months. In the rotary wing segment, our efforts are on to achieve basic certification of LUH by the middle of 2018”, said Raju.

HAL says indigenisation levels in these platforms would be as high as 80 per cent, given that many imported components, sub-systems and systems would be progressively manufactured in India under transfer of technology. That means Rs 2,500 crore would flow abroad to global original equipment manufacturers (OEMs). Even so, Indian aerospace vendors, for the most part micro, small and medium enterprises (MSMEs) that depend almost entirely on Government orders, see the remaining Rs 10,000 crore as a significant opportunity.

Business is also expected to flow from a separate acquisition of 197 Kamov-226T light helicopters, which Russian helicopter manufacturer, Kamov, will initially supply ready-built, and then transfer technology to progressively manufacture in HAL.

In manufacturing aircraft like the Jaguar, Sukhoi-30MKI and the Hawk trainer, HAL had monopolised most of the manufacturing work, relying on very little outsourcing. More recently, the manufacture of the Tejas Light Combat Aircraft (LCA) has seen HAL assume the role of “systems integrator”, with a significant percentage of the supply chain outsourced to private aerospace industry. In the future, HAL envisages functioning exclusively as a systems integrator, with a private industry supply chain feeding in components, sub-systems, systems and even major assemblies like the forward, middle and rear fuselage. *(Business Standard: December 13, 2017)*