

**Indo – French Defence & Aerospace Cooperation: 16 – 19 April 2018, Delhi, Bangalore, Hyderabad & Mumbai**

SIDM, in conjunction with GIFAS, the French Aerospace Industries Association organised a series of events in New Delhi, Bangalore & Hyderabad from 16 to 19 April 2018, drawing on the very constructive and promising feedback resulting from the discussion between Hon'ble Prime Minister Shri Narendra Modi and French President Mr Emmanuel Macron.

The first conference was held on 16 April 2018 in New Delhi. 80+ major French aviation and space players, representing both defence & civilian business interests, were present at the event which was attended by more than 200 delegates from 136 Indian companies.

Mr Jayant Sinha, Minister of State for Civil Aviation in his inaugural address mentioned that the civil aviation sector is expected to grow steadily and is gearing-up to handle a Billion passenger trips in next 15 to 20 years. He also informed that the Government would bring out a policy on drones and said that India would be the land of "air rickshaws" in future.

Roundtables on Aerospace, Civil Aviation and Space were held where senior industry leaders from both sides and senior government officials led the discussions. These were followed by more than 300 one on one business meetings between the French and Indian businesses.

SIDM and GIFAS signed a Memorandum of Understanding (MoU) on the sidelines of the event. The MoU aims to promote a sustainable framework for present and future partnerships and cooperative actions between the French aerospace industry and the Indian defence industry by reaffirming the necessity to expand trade, through stronger economic and industrial cooperation, between France and India.

Dr Subhash R Bhamre, Hon'ble Minister of State for Defence in his valedictory address said that the Make-in-India initiative offers a valuable opportunity for Indian and French enterprises to enter into arrangements for co-development and co-production of defence equipment in India, including through transfer of know-how and technologies to the mutual benefit of all parties.

**Key Takeaways:**

- The export target for Defence equipment has been fixed at Rs 35,000 crore by 2025- Dr Subhash R Bhamre, Hon'ble MoS for Defence
- Civil aviation sector in India is expected to grow steadily and is gearing-up to handle a Billion passenger trips in next 15 to 20 years - Shri Jayant Sinha, Hon'ble MoS for Civil Aviation

Bangalore hosted the second in the series of events and hosted more than 100 B2B meetings between Indian and French companies.

As a follow-up to the GIFAS delegation to India, SIDM is contemplating an Indian industry delegation to France & Germany coinciding with EURONAVAL Defence & Maritime Exhibition, 23 – 26 October 2018 in Paris.

### **India – Russia Collaboration & 4<sup>th</sup> India – Russia Military Industrial Conference: 03 May 2018, New Delhi**

Dr Ajay Kumar, Secretary (Defence Production) chaired a preliminary meeting to discuss 4<sup>th</sup> India – Russia Military Industrial Conference (MIC) that would be organised on the sidelines of ARMY 2018 in Moscow in from 21- 26 August 2018. SIDM apprised Ministry of Defence, on issues hampering effective execution of Joint Venture (JV), between Indian and Russian industry. The issues put forward included, level playing field to Indian manufacturers Vis-à-vis Russian OEM e.g. Impact of higher duties, embarkation facilities etc. DDP has agreed to look into rationalising import & excise duties. The embargo on export of items manufactured as part of the Joint Venture (JV) with Russians was also raised. Ministry of Defence will take-up this issue with Russian counter-parts at an appropriate level.

### **Industry Interaction on Indian Navy 'MAKE II' Projects: 26 April 2018, New Delhi**

With the introduction of revised 'Make II' procedure with industry friendly features, 24 projects have been identified by Indian Navy and preliminary details have been hosted on 'Make in India' website. Towards realisation of these projects and to ensure wider participation by the Indian Industry, an interaction with prospective vendors to discuss and clarify techno-commercial aspects and other modalities for development of the items was envisaged.

To facilitate this, SIDM jointly with Indian Navy organised an 'Industry interaction on MAKE projects for Indian Navy' on 26 April 2018 in New Delhi.

During the interaction, Indian Navy shared brief overview of the projects fielded under Make II.

List of Indian Navy Make II projects:

- 1 Deep Sea Side Scan Sonar Towing Winch

- 2 Upper Air Sounding System (UASS)
- 3 Diesel Engines for Boats (150-350 HP)
- 4 Main Propulsion Diesels (5-10 MW)
- 5 Shafting and Propellers
- 6 Expendable Underwater Targets
- 7 High Speed Low Flying Targets
- 8 RAS/ FAS Gear
- 9 Electrolysis Based Hydrogen Generator
- 10 Digital Beam-forming Based Satellite TVC (DB2ST)
- 11 NVG Adaptation Filters and Image Intensifiers
- 12 1 phase and 3 phase inverters
- 13 Detonator N5 MK2 for CDSC 0.5 Kg with VH2 based composition
- 14 Electronic Fuse for Anti-Submarine Rocket RGB 60
- 15 Conformal Array Line of Sight Communication Antenna
- 16 Low Noise Water-jets for Surface Platforms
- 17 Light Weight Composite Material Portable Diesel Driven Fire Pumps
- 18 Compact Diesel Generators for Survey Motor Boats
- 19 Portable RPA Downlink Receiver with Display
- 20 Materials for High Pressure Fuel Pipelines
- 21 Universal Proximity Direct Action and Graze fuses for Gun Ammunition of 76 to 127mm.
- 22 Limpet Mine 'MK 414' (7Kg)
- 23 Limpet Mine 'MK 430' (15 Kg)
- 24 Float Smoke and Flame A/c 3.5 lbs No.2 Mk2

The interaction was aimed at assisting Indian Navy identify companies interested in various projects and help project officers to further interact with industry for feasibility

study. Industry representatives interacted with officials on how industry could partner with the Indian Navy towards fructification of the listed projects.

Rear Admiral R Swaminathan, NM, during his address highlighted the indigenisation efforts in Indian Navy and shared details of Indian Navy's collaboration with private industry.

Lt Gen Subrata Saha, PVSM, UYSM, YSM, VSM\*\* (Retd), DG, SIDM highlighted the salient features of the Draft Defence Production Policy 2018 and informed the participants that Indian industries already have projects at concept of readiness stage under the MAKE II category.

Officers from various Directorates of Indian Navy presented details of all 24 MAKE projects that are in various stages and thereafter respective project officers interacted one on one with the industry representatives. More than 125 participants comprising officers from the three Services, industry representatives and Headquarter of Integrated Defence Staff attended the interaction.

### **Second Industry interaction with Director General (Acquisition): 04 May 2018, New Delhi**

SIDM organised the second interactive session with Mr Apurva Chandra, DG (Acq) on 4 May 2018 to discuss & understand issues and concerns relating to policy, 'Make Projects', pending acquisition cases and enhanced performance parameters.

DG (Acq) asked SIDM to compile industry views on how to improve benchmarking and suggestions on indexing technological parameters.

SIDM has been organising regular interactions with industry to understand their concerns, apprise them on relevant Policy changes and taking up these with the Ministry of Defence and the Services.

The interaction was attended by Director General (Acquisition) & 11 members including all Acquisition Managers, Technical Managers and Finance Managers. More than 60 industry leaders from Indian and Foreign Enterprises participated in the interaction.

Key issues discussed at the interaction are:

- Delay and uncertainty in orders is impacting industry particularly MSMEs. There is an urgent need to expedite and approve long-delayed defence acquisition contracts
- Quicker clearances for Make-1 and Make-2 projects are needed. Industries views on how Dept of Acquisition can help in hastening clearances / placement of Contracts.
- Department of Acquisition may proactively take steps to build confidence of OEMs with respect to JV's as there seems to be a perception that JV's with

49% FDI are not getting orders. This would give the much needed impetus to FDI in Defence.

- Incorporation of Trade & Service in DPP policy.
- Possibility of permitting single vendor procurement in cases where there is no competitor.
- For import of service and spares, level playing field vis-a-vis foreign OEMs be given to Indian companies. Rationalising import & excise duties could be one of the steps in this direction.
- Possibility of considering Skill Development in Aerospace sector for Defence Offset
- Need for framework to share the classified information between OEMs and Indian Partner
- Measures to implement Enhanced Performance Parameters should be finalised.

### **First India-Israel Bilateral Export Control Dialogue: 08 May 2018, New Delhi**

The First India – Israel Bilateral Export Control Dialogue coinciding with Israeli delegation to India was convened by Ministry of Defence on 08 May 2018. The Israeli delegation was led by Ms Racheli Chen – Director Defense Export Control Agency (DECA), Israeli MoD & comprised senior officials of DECA, Israeli Ministry of Economy & Industry and Ministry of Foreign Affairs.

The meeting was chaired by Mr Sanjay Jaju, Joint Secretary (DIP) and was attended by Israeli delegation and from Indian side industry representatives with active partnerships with Israeli industry.

### **Defence Industrial Corridors**

#### **Discussions on UP – Bundelkhand Defence Industrial Corridor: 16 April 2018, Lucknow**

Lt Gen Subrata Saha, PVSM, UYSM, YSM, VSM\*\* (Retd), Director General, SIDM made a video presentation on Uttar Pradesh - Bundelkhand Defence Industrial Corridor to Defence Minister Nirmala Sitharaman and Uttar Pradesh Chief Minister Yogi Adityanath on 16 April 2018. Defence Minister & UP CM held detailed discussions on the UP - Bundelkhand Defence Corridor.

Defence Minister asserted that once the corridor becomes a reality, the entire impoverished Bundelkhand region will see unprecedented economic development and more jobs being created.

#### **Interaction with Academia & Industry: 05 May 2018, Coimbatore**

SIDM leadership interacted with members & officials of Coimbatore District Small Industries Association (CODISSIA) and discussed opportunities offered by TN –

Karnataka Defence Corridor and how SIDM could facilitate industry participation in the corridor. SIDM leadership also visited the campuses of Amrita University and PSG College of Technology discuss possible Academia – Industry collaboration to promote R & D and innovation in defence.

### **Industry Interaction on Uttar Pradesh Defence Industrial Corridor: 09 May 2018, Lucknow**

An industry interaction on UP Defence Industrial Corridor was held on 09 May 2018 in Lucknow and was addressed by Dr Subhash Ramrao Bhamre, Union Minister of State for Defence. The Minister stated that Uttar Pradesh would have a major share in the country's defence production and will transform India from an importer of arms to an exporter.

The interaction focussed on infrastructure & policy issues and opportunities for industry in the upcoming corridor.

SIDM is working closely with UP Government & industry to facilitate participation of large, medium and small enterprises in the Defence Industrial Corridor.

### **Defence Conclave: 11 May 2018, Ahmedabad**

SIDM partnered Confederation of Indian Industry (CII), Gujarat for the 2<sup>nd</sup> Defence Conclave, a Conference on Defence and Aerospace Manufacturing, on 11 May 2018 in Ahmedabad, Gujarat.

The Conclave brought together high-level Government representatives, key industry, and academia to discuss, deliberate and exchange ideas, viewpoints and knowledge about critical defence offset policies, sector analyses and review choices of technology available globally for the manufacturing and production of indigenous defense systems.

Panel discussions at the conclave focused on Make in India - Vision to Reality: Building a global hub for Defence Manufacturing; Business regulatory framework for Defence & Aerospace Manufacturing; Defence Production Policy & Defence Procurement Procedure; Skill development and accreditation in Defence & Aerospace industry; Ease off the government – private sector collaboration; Building a sustainable ecosystem for Defence & Aerospace industry; Defence Manufacturing and Challenges in Self Reliance.

### **Fifth Meeting of the National Aeronautics Coordination (NAC) Group: 02 May 18, New Delhi**

Dr Ajay Kumar, Secretary (Defence Production) chaired the 5<sup>th</sup> meeting of the National Aeronautics Coordination (NAC) Group was convened by MoD after a gap of nearly 4 years.

The issue regarding formulation of National Policy on Aeronautics was discussed which involved Self Reliance in Civil & Aeronautics, R&D, Development of Technology and Academia.

Secretary (DP) emphasised on the following:

- Need to create a critical mass in the country on aviation sector
- Setting up of MRO facility for aircrafts & linking it with components of aero industry.
- Setting up world class Aerospace Skills & Knowledge Academy for manpower training
- Manufacture of a 70-100 seater aircraft for commercial use
- Higher indigenisation of Tejas, AMCA
- Aero Component Industry development with supply chain of international companies like that we did with auto components.
- Materials and Composites development.

### **Meeting on Test Facilities & Flying Zones for UAV Testing: 02 May 2018, New Delhi**

A meeting to discuss industry concerns regarding non availability of test facilities and proof ranges of PSUs & DRDO to the Private Sector was convened by Ministry of Defence on 02 May 18. The meeting was chaired by Mr Sanjay Jaju, Joint Secretary (DIP) & was attended by DGCA officials and industry representatives.

Indian UAV manufacturers highlighted the requirement of space/ test range where they could evaluate their products, preferably, in areas near their manufacturing bases. Issues related to air safety, congestion and internal security threat were also discussed in the meeting.

SIDM recommended that as a short term solution for the manufacturers to test fly the UAVs was to incorporate the areas recommended by DGCA in its draft policy and which has already been vetted by MHA.

DGCA informed that the draft policy on UAVs is being finalised. The JS (DIP) requested chambers to collate short & long term industry recommendations and share the same with MoD.

### **SIDM Centre for Startups**

Drawing inspiration from Hon'ble Prime Minister Narendra Modi's 'Startup India', SIDM announces 'Centre for Startups' that will work closely with startups for their capability building.

Enrollment of Fellows of SIDM Centre for Startups is now open. For more information please write to: [harikrishna.bhanushree@cii.in](mailto:harikrishna.bhanushree@cii.in)

## **E- Value Added Services**

In an effort to extend services to entities that do not qualify for SIDM membership, SIDM is now offering E-Value Added Services (E-VAS). For more information on SIDM's E-VAS please write to: [harikrishna.bhanushree@cii.in](mailto:harikrishna.bhanushree@cii.in)

## **Upcoming Events**

SIDM and Defence IQ, a division of IQPC are jointly organising Armoured Vehicles India conference on 26 & 27 June 2018 in New Delhi.

## **Upcoming International Delegation**

Dr Ajay Kumar, Secretary (DP) shall be leading an Indian delegation to International Military Technical Forum 'ARMY 2018' scheduled to be held from 21 – 26 August 2018 in Moscow. SIDM would be coordinating industry participation in this delegation. For more information on the delegation to ARMY 2018, please write to: [harikrishna.bhanushree@cii.in](mailto:harikrishna.bhanushree@cii.in)