

AEROSPACE & DEFENSE FORUM

IACC AEROSPACE & DEFENSE FORUM- STAKEHOLDER CONSULTATION

Friday Jan 27 2012, Hotel Fortune JP Cosmos, Bangalore

Sponsored by: Moog India Technology Center Pvt. Ltd, Bangalore



Chairman A&D Forum: Mr. Vasanth Kini, Managing Director, Titanium Industries India Pvt. Ltd,

Sponsor : Mr David Ranson Managing Director Moog India Technology Center Pvt Ltd

Facilitator- Mr. Varun Shamsheer Sehgal, Dy. Director, IACC Secretariat

Attendees: 20 Senior Management Representatives from varied backgrounds including US companies, Indian companies, SME's, Public Sector etc.

Participating Organizations-

Aero Accessories & Systems Pvt. Ltd.	Titanium Industries India Pvt Ltd.	Moog India Technology Center Pvt. Ltd.
Zenith Precision Pvt. Ltd.	BEML Ltd.	Perry Johnson Registrars, Inc.
Assystem India Pvt. LTd.	Assystem India Pvt. LTd.	Aerospace Engineers
ADS Group Ltd.	Vijaya Metal Finishers	Merlinhawk Aerospace
Aarjay International Pvt. Ltd.	Maini Global Aerospace Pvt. Ltd.	Genser Aerospace & IT Pvt. Ltd.

Indo- US A&D Forum-

The key areas of focus for the forum will be the Offsets Opportunities, Quality and Potential for Aerospace and Defence. The purpose of **The Aerospace & Defence Forum** is to provide a platform for Indo-US B2B opportunities, to share news, information and analysis, and organize events relevant to the aerospace and defence industries, with an emphasis on Indo –US trade activities.

Key issues discussed in the stakeholder consultation -

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Manufacturing & Supplier management, Design Engineering and Software services, India USA B2B engagement, Quality & Standards and Infrastructure.

Critical areas of intervention -

Supply chain issues, common facility management, Shared Infrastructure, responsibility towards community and the industry, cost of raw material, technology transfer and investments, Capital intensive sector, Skill development, need for industry specific curriculum and specialized institutions, learning and documenting case studies, knowledge management- sharing of best practices, OEMS from US and US SMEs to work with SMEs in India, Procurement policy of OEMs and large companies, large companies to help SMEs to evolve, NADCAP Certification, cluster mapping required, avionics business – potential for SMEs etc.

Detailed Deliberations-

The intention to organize the roundtable was to bring the stakeholders together and understand the critical areas where the forum could contribute to facilitate and enhance bilateral trade.

The Chairman in his welcome address briefed the participants about the chamber and the purpose of promoting of A&D forum. The key value proposition of the forum for members is Indo – US B2B engagement, knowledge sharing, promoting joint value propositions, capability building and critical areas of policy intervention. The forum to act as facilitator for organization involved in the A&D sector with special focus on SMEs in India and US.

To grow faster and to have a competitive edge the SMEs & large companies in India should complement and help each other. We have to promote a favourable environment in the sector for sustainable development. The forum will bridge the gap and provide a platform to share on what the industry needs to partner.

Today the market is driven by low cost but for the aerospace and defence sector in India it's difficult to maintain low cost. One of the key reasons is the cost of raw material we import.

The solution to high cost and low efficiency problems is to complement each other and promote joint value propositions. Instead of own facility we complement each other and create shared facilities.

Another issue is high investment, the sector is capital intensive and the turnaround time or product life cycle is long. At the same time the product output in most of the cases is not substantial.

The infrastructure for the sector especially for SMEs is not developed.

The lack of skilled personnel adds to the problem of manufacturing quality and product life cycle time.

The companies in A&D sector should learn from each other especially the large companies should contribute in capacity and capability development of SMEs.

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We have to engage OEMs from US to work with Indian companies to create joint value proposition and projects including technology transfer and sharing of best practices.

The SEZs in the sector can play a crucial role by implementing shared facility management for testing, manufacturing and by providing developed infrastructure.

Another area of intervention is procurement policy of large companies and OEMs, as the current procurement policy of the some companies restricts the SMEs to partner because of size, scale and turnover/capital of business. Such policy is not encouraging for the first generation and new entrepreneurs who wish to contribute and may add value to the supply chain by introducing innovation.

Solution to the above problems in manufacturing is investment by large companies in supply chain and supplier development which might add to the cost initially but in long run will help to achieve the quality and on time delivery.

Concluded from discussion-

- There is a strong need of strength analysis of large and small companies in the A&D sector.
- Need to have integrated and inclusive manufacturing and procurement policy for the sector. OEMS to relax norms and allow new players and small players
- Need to amalgamate the fragmented A&D sector.
- Forum to initiate a questionnaire based survey for need and strength analysis of the sector. The survey will also help in cluster mapping.
- Outbound delegation for B2B engagement with US SMEs .The delegation agenda to focus on ground level exposure for visiting SMEs from India to US companies.
- Knowledge sharing, capacity building and educating SMEs about NADCAP and procurement policy and standards desired from large companies.
- Involve US SMEs for technology transfer and long term business association.
- Need for recognition for quality initiatives of SMEs. SMEs to focus on quality assurance rather than controlling and compliance.
- Forum to work on advocacy of preferential procurement policy from SMEs in the sector
- Skill Development – The forum may contribute on curriculum development support for the sectoral universities, and educational institutions. Focus on desired skill sets for design and manufacturing.