

There is no doubt that there is a great need for and great scope for maintenance and ground handling facilities in India, particularly for servicing the private airlines. The International Airports Authority of India and the National Airports Authority have both stated that they are willing to rent out space for hangars where available. However, in certain cases, Bombay in particular, there is an extreme shortage of space. In reality, therefore, the choice of facility positioning may be somewhat limited. Despite this, necessity will overcome these limitations and available space will be found. As the private airlines do not have the capital to set up ground handling infrastructure over night, there are opportunities for leasing companies to supply stairways, buses, battery carts and other equipment.

In addition to their proposed simulator facilities, East West Airlines and The Raymond Woollen Mills are also planning to set up maintenance bases in south India. Another entrant into the civil maintenance market is Hindustan Aeronautics Limited (HAL), which completed a C check of an East West Airlines B-737 in April. HAL is looking into the possibility of establishing a third party heavy maintenance base in collaboration with Air-India. Based in Bombay, this facility is proposed to compete with similar facilities in Hong Kong and Singapore.

Civil aviation facilities today do not meet even the fringe of India's needs. Besides meeting its own needs, India may in due course emerge as a base for serving the needs of South Asia and other countries elsewhere in Asia. Existing and proposed facilities will serve the requirements of civil and defence aviation where commonalities exist.

The shift to civil aviation by HAL and many other Indian aerospace companies comes as a result of decreased defence spending. HAL is seeking collaboration from foreign industry for co-production, production under license, joint ventures and other technical tie ups. The projects of current interest are: the Advanced Light Helicopter; the Light Combat Aircraft; a 50/70-seat regional aircraft and engines; trainer aircraft; and avionics and accessories. Exports to third country markets are a major thrust area for the Indian aerospace industry. Canadian aviation equipment manufacturers seriously interested in this market will likely have to consider joint ventures, licensing agreements and technology transfers to take full advantage of opportunities in India.

The aerospace sector in India is changing quickly. Many development projects in the civil aviation sector, which had been kept on hold because of financial constraints and low priority, are now being revived. Yet, because of resource constraints in India, a financial package including a loan or deferred payment will make any offer more attractive. The Indian market requires long and sustained marketing with vigorous follow up. To be successful on global tenders, Canadian companies should have a permanent local presence, either through a representative office or an appointed agent. For advice on establishing a local office or selecting an agent, contact the Canadian High Commission, New Delhi, or the Consulate of Canada, Bombay. Key aviation sector contacts are listed in Appendix R.

The aerospace sector is still largely in the public sector, and as such, companies will need to take a patient attitude as the wheels of government move slowly (see Appendix Q for Government Procurement and Tendering Practices). Nevertheless, there is a burgeoning private sector, which is much more dynamic. British, French and American, as well as Russian, aerospace companies have been active in the market. In the past, the Canadian aerospace industry has not been aggressive enough in its marketing efforts. Now is the time to investigate this market.

The Canadian industry enjoys an excellent reputation for its product quality and service standards, with Canadian Otters and Caribous still held in high esteem. From an Indian perspective, the strength of the Canadian aerospace industry is perceived to lie in aircraft simulators, ATC radar, navigational aids, ground handling equipment and transport planes.

The first real opportunity to get a first hand view of the Indian aviation sector is at the second AVIA India Airshow, which will be held December 15-18, 1993 in Bangalore. This show provides the best opportunity for Canadian companies to meet Indian companies, government officials, and agents involved in the airports, aviation and aerospace sector. AVIA India is being organized by Convex, in cooperation with Hindustan Aeronautics Limited. For further details on AVIA India, contact Ms. Puspa Nair, Convex, 14-F Basant Lok, Vasant Vihar, New Delhi-110 057. Tel: (91-11) 67-0346, 60-7582, Fax: (91-11) 687-5598, Tlx: 031-82031.