

Indian Defence Acquisition and Emerging Opportunities

Executive Summary

Q-Tech Synergy and Tri Polus Ltd, international business consulting organisations within the Defence and Aerospace sectors with a specialisation within India have joined forces to offer a comprehensive market report on emerging opportunities within Indian Defence Acquisition.

This report analyses the Indian defence industry taking into perspective the growth of the Indian economy and current market dynamics. The Indian defence Industry with its own captive market has a strategic and technological edge in the developing world. The Indian MOD is determined to build a domestic defence industry, it is attempting for successful tie-ups with major manufacturers, to be a significant player in the international market. The changes in Defence acquisition policies and procedures, the partnership between public sector and selected industry leaders from private sector for receiving technology and undertaking license production with Transfer of Technology (TOT) from overseas sources are some of the healthy sign to enhance the Defence capability, creation of sustainable defence industrial base in India. The process is expected to be competitive, fair and transparent to provide best value for money to the Services, besides providing the Indian defence industries an opportunity to grow.

The Indian defence budget (Current allocation about \$23.5 billion) is expected to grow at the rate of 7% to 8% annually over the next five years. Such allocations would be mostly catering for modernisation and acquisition plans. This will make India one of the biggest markets in the world for defence and aerospace products. The major portion of Indian defence budget (43.7%) has been earmarked for capital acquisition and modernisation of Defence forces amounting to Rs. 41,922 Crores (\$10.22 billion). This budget is largely utilised for acquisition of the new equipment and modernization of the existing hardware. India is one of the topmost importer of defence equipment and is expected to import over \$45 billion by 2012, hence an attractive defence markets in the world in terms of business potential.

The Target interested audience for the Market Report are:

- Defence Original Equipment Manufacturers.
- Small and Medium Companies from the Defence and Aerospace sector.
- Corporate India.
- Banks and financial institutions.

The contents of the Market Report are provided in the chapters that follow.

Together Q-Tech Synergy and Tri Polus Ltd can offer both International and Local Indian organisations a range of integrated services to assist them to understand the Indian Defence Market and more importantly succeed within the market. A summary of the services offered are:

- Weekly Defence Analysis – Provided as a specific customer service, on a weekly basis an analysis of the key defence news articles in India with added commentary to provide insight into the latest developments in India.
- Specific Project Reports on Specific Technologies, Procurements or Defence Sectors – By request, special project reports on certain areas of the Indian Defence sector or specifically on certain procurements within India.
- Partner Evaluation and Selection – As part of developing a campaign plan for a specific sector or opportunity identification of suitable partners both Indian and International and evaluation of “win strategy”.
- Marketing and Business Development Consulting – specific support for marketing and business development consulting.
- Offset Services – a wide range of services from educational workshops, seminars to assistance with Offset proposal preparation to identifying and delivering Offset projects within India.

Indian Defence Acquisition and Emerging Opportunities **Market Report Contents**

The Ministry of Defence, organization structures and role in defence production and Procurement. The procurement, technology absorption and experiences from past have been deliberated to pave way for future. The market size with new Procurement and Offset policy provides business opportunities for Foreign and Indian industries to collaborate in providing various technology and equipment. The report dwells on the role of defence public sectors and the leaders in private sector as growth drivers are the critical success factor. Future outlook has been discussed from the perspective of policies and defence budget. The facts and figures have been tabulated and charted for ease of assimilation.

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About Tri Polus Ltd

Tri Polus Ltd, a facilitator of international business operating in the governmental and commercial aerospace/defence markets. Tri Polus maintains offices in London and Washington D.C, offering its customers access to worldwide markets via a large network of entrepreneurial executives, associates and consultants.

Tri Polus works with Aerospace/Defence OEMS, tier 1-3 suppliers, R&D and Government agencies and Trade associations. Tri Polus is active in North America, Western Europe, East/Central Europe, the Middle-East, India, Brazil and Turkey.