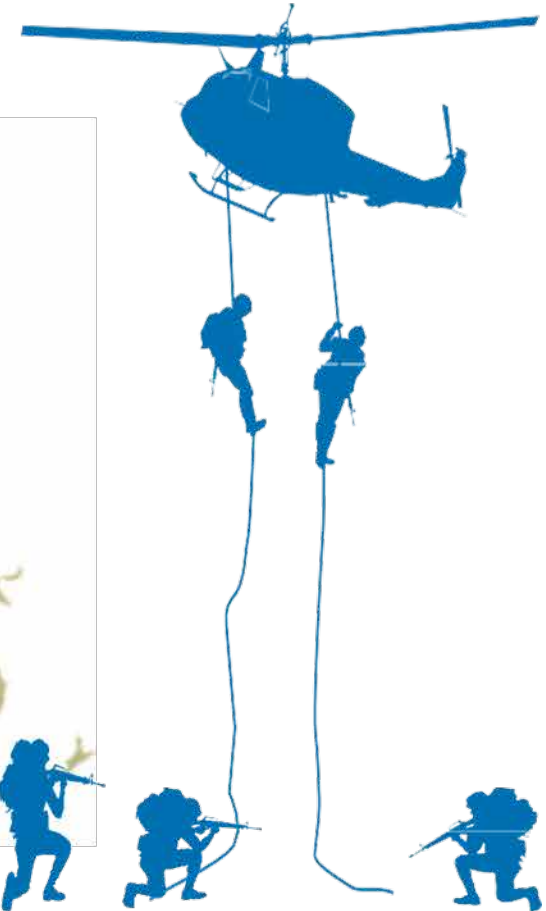
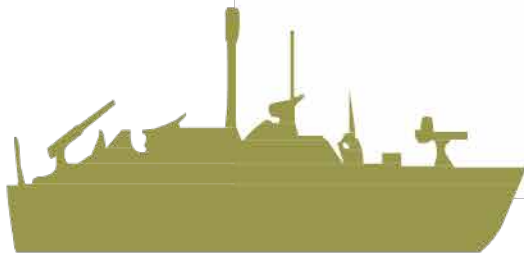
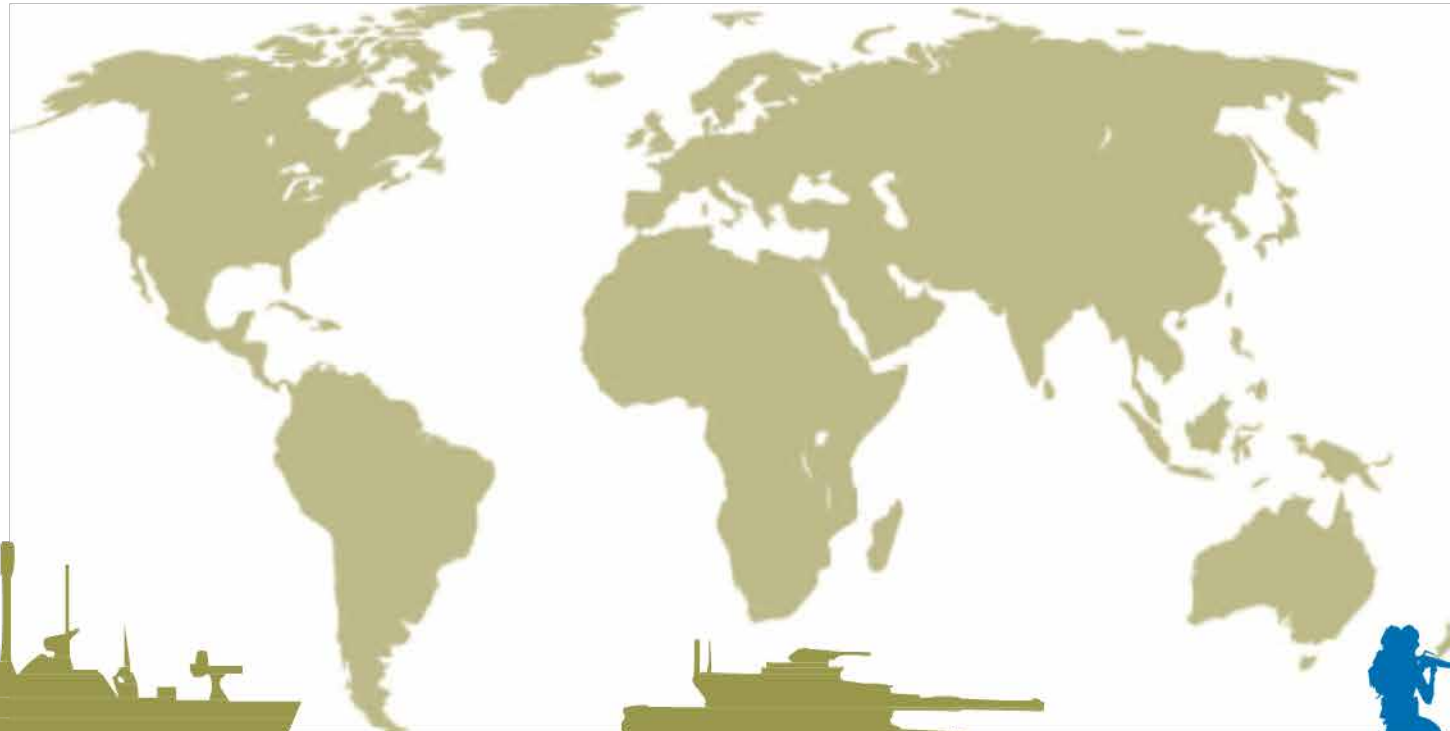
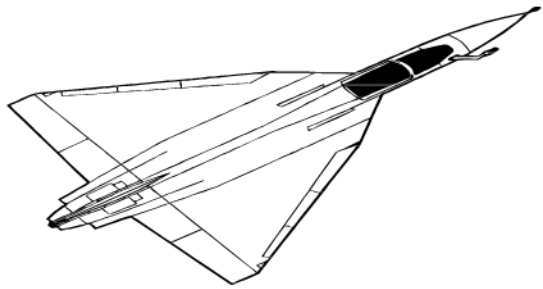




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POTENTIAL EXHIBITIONS & MEDIA MARKETING

Maximizing Business Opportunities Globally



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Key Insights and Trends - Indian Defence Exports

- **USD 26 BILLION TURNOVER** goal set by India in year 2025. Currently its **USD 11 Billion** (Rs 80,000 crore) in 2018-19.
- R&D, INNOVATION & securing a place in GLOBAL SUPPLY CHAINS will be the main focus.
- LOCAL DEFENCE PRODUCTION to cater to Indian Armed Forces need, thrust also on enhancing exports.
- DEFENCE PSU to increase their export portfolio to 25 % of their turnover.
- DRDO has ZERO fee for ToT, free access to over 450 patents/test facilities & increase in funding.
- LINES OF CREDIT extension and grants to friendly foreign countries over the next 5 years.
- **USD 5 BILLION TARGET** for defence exports by year 2025. Currently its **USD 1.54 Billion** (Rs 11,000 crore) in 2018-19.
- MEGA DEFENCE PROG (Fighter Aircraft, Helicopters, Tanks & Submarines etc.) by Strategic Partnership (SP) Model.
- Artificial Intelligence in national security to make India a significant power in defence. 25 Defence specific Artificial Intelligence products planned by year 2024.



Key Insights and Trends - Indian Defence Exports

- **Buy (Indian-IDDMM)** [Indigenously Designed Developed & Manufactured], **Buy (Indian)**, and **Buy & Make (Indian)**, are 3 most preferred categories for procurement by MOD.
- Greater scope for Indian companies, to participate in defence contracts, self-reliance & employment generation.
- MSMEs base in defence and aerospace to be increased from 8,000 to 16,000.
- Innovations for Defence Excellence (iDEX) to bring Start-Ups to innovate, develop tech & solve problems in A&D.
- Indian Aeronautics Industry to be increased from **USD 4.17 Billion** to **USD 8.33 Billion** by year 2024.
- Increased opportunities for Indian aerospace industry to become supplier of global Aero-components. Biggest increase in exports has been in component level.
- Major upcoming platforms in defence aerospace sector
 1. India's 90-seater civil aircraft.
 2. Developing civil helicopter industry of USD 5 billion in Public Private Partnership (PPP) model.
 3. New Aero Engine Complex in Defence Corridor with industry participation.



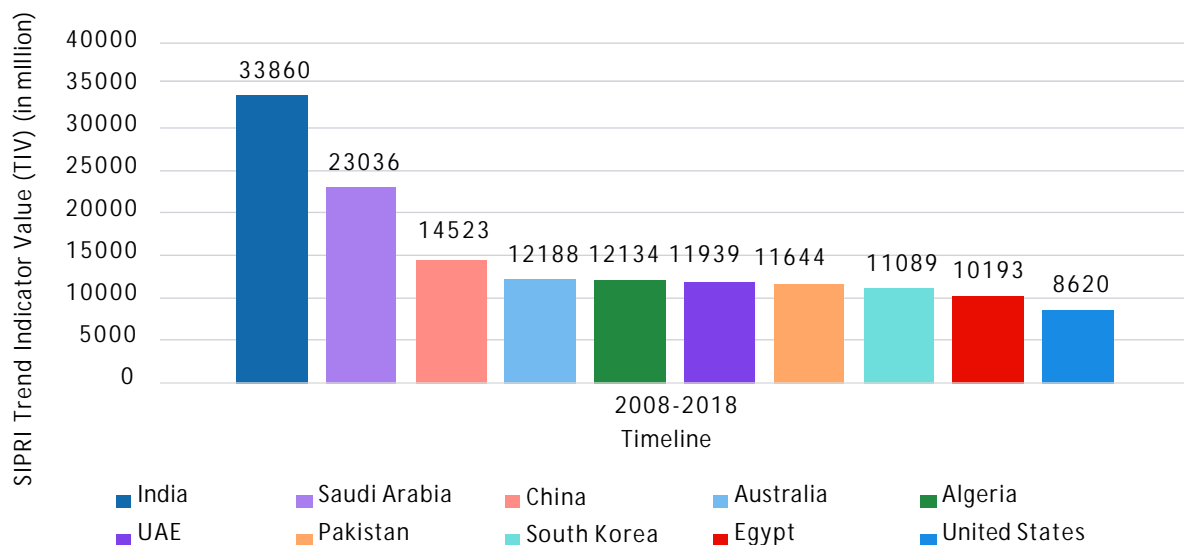
Key Insights and Trends - Indian Defence Exports

- India currently exports defence products to 42 countries (i.e. South East Asia, Middle East, South Asia, Africa etc.)
- Major defence items exported are PPE, OPV, ALH Helicopter, SU Avionics, Bharati Radio, Coastal Surveillance, Kavach MoD II Launcher and FCS, Spares for Radar, Electronic System & Light Engineering Mechanical Parts etc.
- For securing more orders, India is targeting Central Asian, South-East Asia, Latin America & Middle-East countries.
- For increasing Indian defence exports,
 1. Need for framing encouraging policies, easing & digitalizing clearances.
 2. Mandate Indian overseas missions to support export initiatives.
 3. Aggressive marketing of Indian companies by setting up India pavilions at global defence exhibitions.

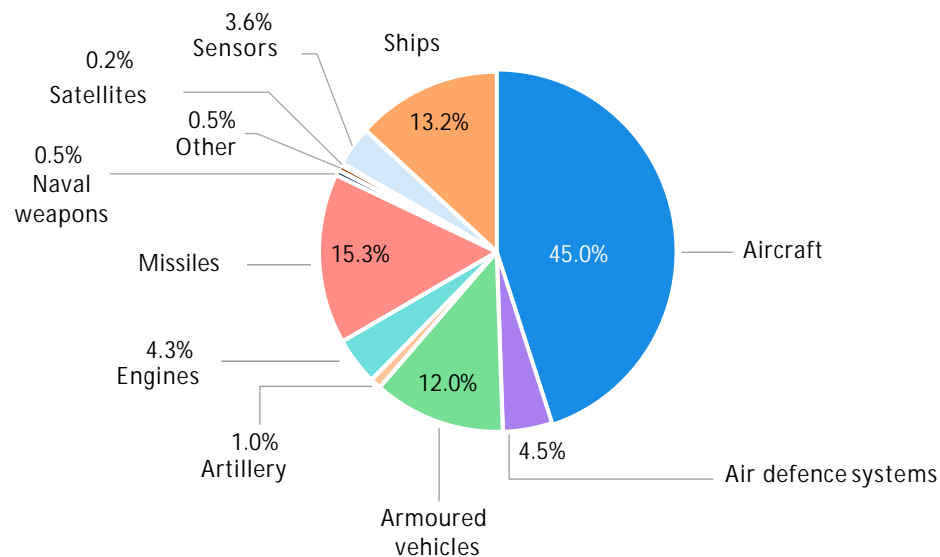


Global Military Trends

- **Global defence trade is USD 27.58 Billion** (marketshare - USA 38.1 %, Russia 23.2 %, Germany 4.6 % France 6.4 %, China 3.8 %, UK 2.7 %, Spain 4.3 %, Israel 2.6, Italy 2.2 %)



Top 10 defence importing geographies

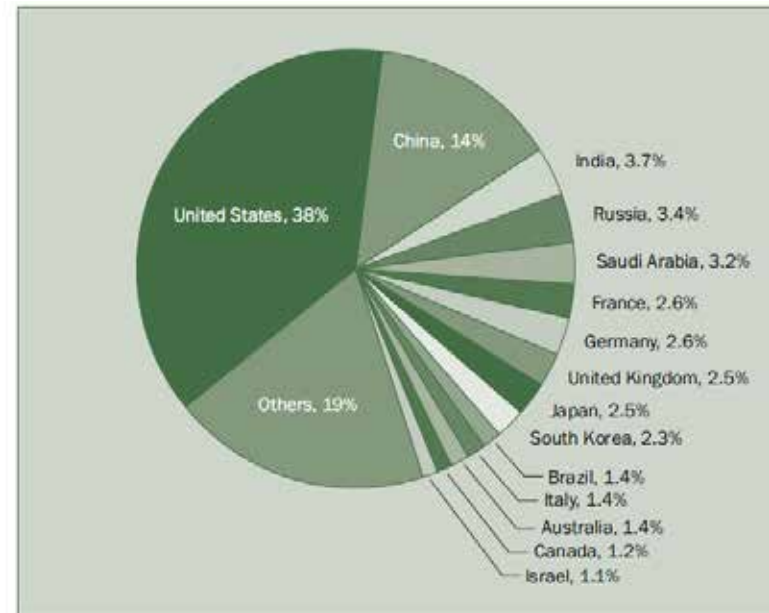


Weapon systems market share of global defence trade (2018)

(Source: SIPRI)

Global Military Trends

- Total **GLOBAL MILITARY EXPENDITURE** was **USD 1,917 billion** in 2019, annual increase of 3.6 % & **largest annual growth** in spending since 2010.
- The **five largest spenders** in year 2019 who accounted for **62 % of expenditure** were the USA, China, India, Russia & Saudi Arabia.
- **Global military spending in 2019 represented 2.2 % of the global GDP**, which equates to approx USD249 per person.
- **USA military spending grew by 5.3 %** to USD 732 billion. There were increases in military spending by **China (5.1 %)**, **India (6.8 %)** and **Russia (4.5 %)**. Spending fell in Saudi Arabia by 16 %.



The share of world military expenditure of 15 countries with highest spending in 2019

(Source: SIPRI)

Major Reforms in Defence Capital Procurement

New DPP 2020 Proposed

Main features:

- Greatly enhances for "**Make in India**" in Defence with higher indigenous content.
- Provides greater opportunity for **Indian Software Industry**.
- Boost for **Indian materials industry** for Defence/Aerospace.
- Special provisions for procurement of products/technologies by **Startups & MSMEs**.
- **Simplified and speedier capital procurement process**.
- For FIRST time, Defence Introduces "**Leasing**".
- For FIRST time, Defence introduces "**Buy Global – Manufacture in India**".
- For FIRST time, Introducing new category "**Make-3**".
- **Third party Testing and certification**.

Atmanirbhar Bharat

New Horizons of Growth

16 May 2020



सत्यमेव जयते
Government Of India



Policy Reforms - Defence Production

- **FDI limit in the defence manufacturing under automatic route to be raised from 49% to 74%.**
- **Time-bound defence procurement process** and faster decision making by:
 1. Setting up of a Project Management Unit (PMU) to support contract management.
 2. Realistic setting of General Staff Qualitative Requirements (GSQRs) of weapons/platforms.
 3. Overhauling Trial and Testing procedures.
- **Make in India' for Self-Reliance in Defence Production:**
 1. Notify a list of weapons/platforms for ban on import with year wise timelines.
 2. Indigenisation of imported spares
 3. Separate budget provisioning for domestic capital procurement.
 4. Will help reduce huge Defence import bill.
- Improve autonomy, accountability, and efficiency in Ordnance Supplies with **Corporatisation of Ordnance Factory Board.**



Civil Aviation (Airspace & Airports) & MRO

- **Restrictions on utilization of Indian Airspace will be eased** as currently only 60% airspace is freely available.
- Will bring a total **benefit of about Rs 1000 crores (USD 133 million) per year** for the aviation sector.
- Optimal utilization of airspace; reduction in fuel use, time and civilian flying becomes more efficient.
- More Indian airports to be allotted for Operation and Maintenance on Public-Private Partnership (PPP) basis.
- Additional **investment opportunities for private players** expected **Rs. 13,000 crores (USD 1,733 million)**.
- **India to become a global hub for Aircraft Maintenance, Repair and Overhaul (MRO).**
- **Tax regime for MRO ecosystem has been rationalized recently from 18% to 5%.**
- Aircraft component repairs /airframe maintenance to increase from Rs 800 crores (USD 106 million) to Rs 2000 crores (USD 266 million) in 3 years.
- Major engine manufacturers in the world would set up engine repair facilities in India in the coming year.
- **Convergence between defence sector & civil MROs** will be established to create economies of scale.

Thank you



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