



cutting through complexity™

Technology, Innovation & IPRs

Opportunities for Growth in Aerospace and Defence

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A tale of two sectors

Major challenges facing the industry

Slow economic recovery

Increased regulation

Pressures on capacity to meet aviation boom

Decline in military spend of developed markets

These macro shifts will drive...

New efficiencies

Enhanced controls

Increased regional competitiveness



Commercial



Defense

MSMEs pivotal to India's growth

India's appeal

7.4%

Average rate of growth

3rd

most favoured investment destination after China and US¹

2nd

most low-cost manufacturing location in the world, after China²

2nd

position in 2012 Global Innovation Efficiency Index rankings³

MSME contribution

7%

Contribution to total GDP

45%

Share of total manufacturing output of India

40%

Share of total exports

Growth rate higher than GDP

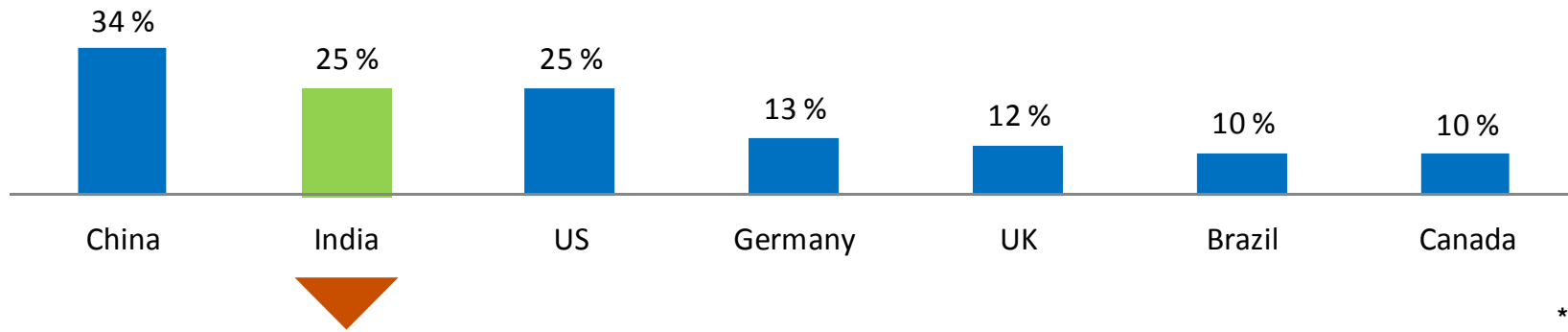
Over last five years



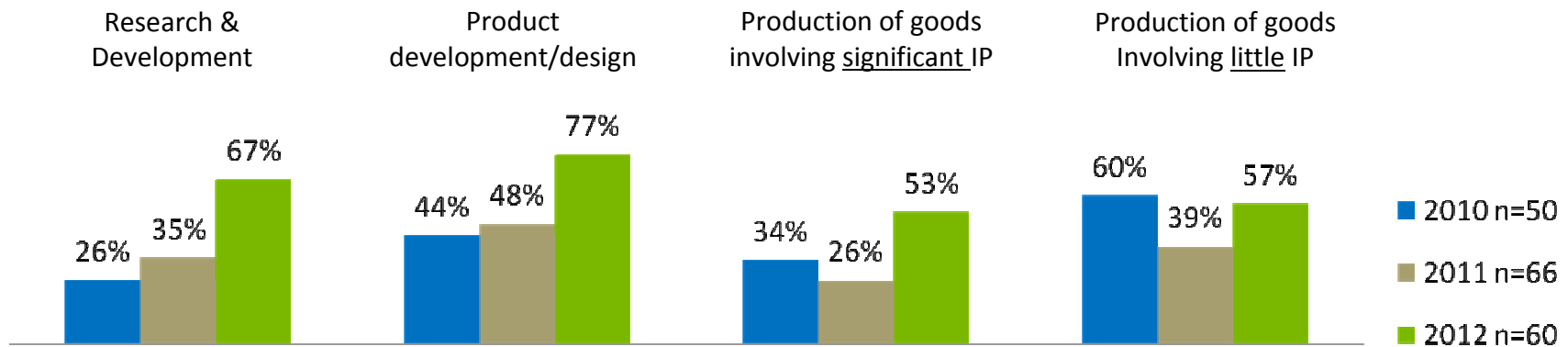
Significant driver of growth and innovation

And moving up the value chain

Countries where respondents expect to increase sourcing the most in the next 2 years*



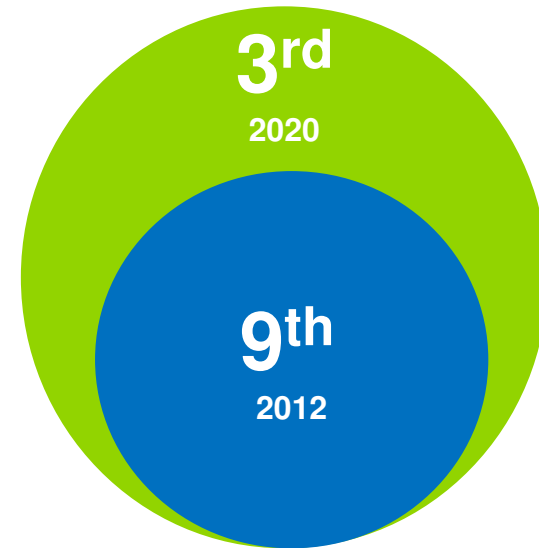
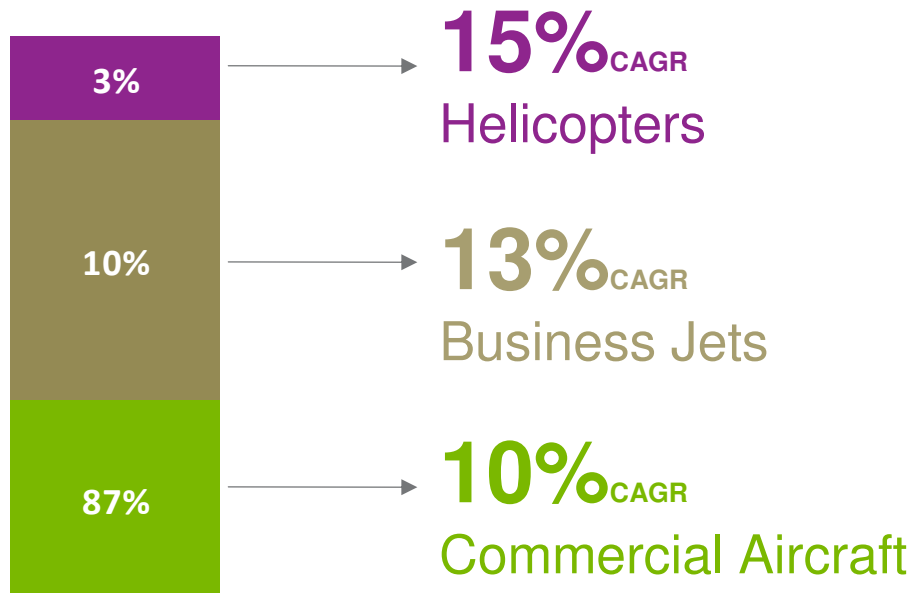
...Of those planning to source from India, here's what they are expecting to do:



Source for both charts: Economist Intelligence Unit Survey, 2012

India's aerospace and defence opportunity

Market opportunity in Civil aviation (2012-20)



Third largest A&D market in the world by 2020

USD80bn

Expenditure on new aircrafts up to 2020

USD30bn

Development of airport infrastructure

1,000

Aircrafts will require MRO servicing

11%

CAGR growth of Defense budget expected until 2020

Offset policy

incentive for MSME sector

MSMEs: what it takes to compete

	Global A&D Needs	Prerequisite to Compete
Cost Control	Drive sustainable growth whilst maintaining profitability	Maintain cost competitiveness in product and process capability
Skilled Labour	Advanced engineering and manufacturing excellence	Increase engineering and manufacturing capabilities
Quality Assurance	Demand for compliance on safety	Invest in robust quality and control systems
Transparency	Increased regulatory compliance	Full transparency and traceability
Collaborative Innovation	Dynamic product and process innovation	Alignment with government, industry and academia

The way forward

1 Assess your capability

2 Assess your assets

3 Outline your investments

4 Collaborate to compete



Thank you



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