

MESSAGE

The cost incurred on MRO in running an aircraft is second only to ATF. Moreover, MRO industry plays a vital role in ensuring a safe and robust aviation sector and therefore pretty much forms the backbone of this highly specialised industry. With a substantial jump in orders placed for aircraft by Indian carriers, especially Tatas (Air India) and Indigo, India securing the third spot globally is tipped to happen sooner rather than later.

A robust MRO ecosystem is crucial for OEMs, Parts Manufacturers, Supply Chain and MSMEs to capitalize on the immense business potential both domestically and internationally. Realising this, the Government of India has taken significant steps, such as a reduction in leviable taxes (GST) from 18% to 5%, permitting FDI up to 100% on account of which, global brands are forging partnerships and setting up shop on Indian soil and land at reasonable cost allotted near key airports for setting up MRO facilities is yet another step in the right direction. This indicates the Government's serious intent towards the MRO industry scale-up.

According to CRISIL predictions, India's annual MRO revenue could grow three times or more by fiscal year 2028. Indian civil aviation over the next two decades may grow to nearly 2000 aircraft from the current 700 plus. Global MRO players are expected to increase their presence steadily to take advantage of the business opportunity.

The introduction of concessions through new policies over the years has eased the overall cost of MRO services in the country. The industry should seek to reduce it further through frugal and efficient processes over the next few years to become globally competitive.

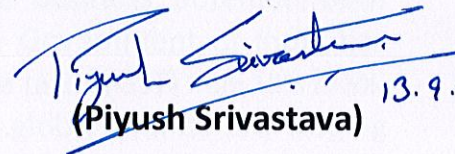
An MRO facility for CFM LEAP engines is being setup by Safran within the Special Economic Zone (SEZ) area of GMR's Aerospace and Industrial Park in Hyderabad. Tata – Airbus JV for the C295 Military aircraft and the significant development of the HAL – GE to develop jet engines are all very encouraging and bode well for the future of Indian MRO industry.

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With a sectoral turnover of nearly 2 billion dollars, the Ministry of Civil Aviation is keen to encourage onshoring work to improve from the current 15-20% share of that market. The size of Commercial Aircraft Maintenance, Repair, and Overhaul (MRO) Market is expected to grow from USD 74.20 billion in 2023 to USD 94.16 billion by 2028, at a CAGR of 4.88% during the period 2023-2028. So, a lot of catching up is required to be done by the domestic players to earn a fair share of this pie.

I thank the STAT Media team for organising these signature events like the Aerospace and Defence MRO Karnataka 2023 and Aerospace and Defence MRO South Asia 2024. As they get bigger and better, these platforms shall facilitate education and information exchange, as well as provide updates on technological advancement to the industry. The Aerospace MRO industry is poised not only to realise the 'Made in India' dream, but also the Government's objective to create the most sought-after MRO market in the world. Best wishes to STAT Media and all participants in coming together to shape a bright future for an 'India -International' Aerospace and Defence MRO.

I wish the event a huge success.


(Piyush Srivastava) 13.9.23