BOEING’S NEW INDIA DIVISION AIMS TO GROW MILITARY AIRCRAFT PRODUCTION

News / Manufacturer

Boeing’s new Indian unit will help the company win more business from local customers and mean more employment in the South Asian country, the head of the US defence firm’s Indian business said.

The new legal entity, announced this week, is the fourth separate country-specific business Boeing has established after setting up similar structures in Britain, Australia and Saudi Arabia.

Boeing will hire more staff, most of them locals, but also bring in specialists from overseas as it looks to win new deals and grow the US$500 million a year worth of products it currently sources from India, said the Boeing India president Pratyush Kumar.

He declined to say how many new jobs would be created.

"This is to really create the full ecosystem throughout the lifecycle for our customers in India," he said ahead of an Indian airshow in Bengaluru this week.

Mr Kumar said the new entity, which Boeing hopes will also grow its manufacturing presence in the country, was designed for its Indian clients rather than those overseas.

"In order to support US exports, we need to better support our Indian customers," he said.

Boeing, as well as rivals such as Europe’s Airbus and Lockheed Martin of the United States, are looking to India, one of the world’s largest arms importers, as a future source of growth as western countries trim defence budgets.

India is expected to spend $250 billion over the next decade to modernise its armed forces, but the prime minister Narendra Modi has also said new deals must involve a share of local production to help the country grow its nascent defence industry.

Industry sources say US manufacturers are still uncertain how to square the "Made in India" policy with the US president Donald Trump’s "America First" rhetoric against locating jobs abroad.

Mr Trump has criticised US companies that have moved manufacturing overseas and which then sell their products back to the US.

Boeing’s Indian unit is expected to be scaled in such a way that it reflects the amount of business Boeing wins there.

Lockheed Martin said last week it wanted to push ahead with plans to move production of its F-16 combat jets to India, but understood Mr Trump’s administration might want to take a "fresh look" at the proposal.

Boeing has won several deals with India in recent years, including an approximately $2.5bn contract to supply its Chinook and Apache helicopters, as well as an order for its P-8I maritime spy planes.

It also has a joint venture with Tata Advanced Systems in aerospace.

Mr Kumar said Boeing was studying a recent request for information issued last month by the Indian Navy for 57 multi-role fighter jets for its aircraft carriers, and analysts expect it to pitch its F/A-18 Super Hornet planes.

Industry sources say any deal would most likely depend on Boeing agreeing to build at least part of the jets in India.

12 FEBRUARY 2017

SOURCE: REUTERS
ARTICLE LINK:
https://virginia.50skyshades.com/news/manufacturer/boeings-new-india-division-aims-to-grow-military-aircraft-production

