

## Hindustan Times - Business

# Aviation slowdown hits maintenance projects

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WHILE AIRLINES the world over struggle to stay afloat in the rough economic weather, aircraft Maintenance, Repair and Overhaul (MRO) majors, that were looking at India as a ready to move in market also seem to have slowed down with their plans.

Buoyed by the booming aviation sector with new and existing airlines ordering more than 400 planes, aircraft manufacturing giants, Boeing and Airbus were among the leaders keen on setting up MRO facilities in India.

At the height of aviation boom, several companies including Lufthansa led Lufthansa Technik – were looking at MRO and whole sale trading in aircraft components. But bleeding balance sheets, rising costs and low passenger loads have forced many airlines to defer expansion plans

Barring a joint venture agreement between the National Aviation Company of India Limited (NACIL) and the EADS (European Aeronautic Defence and Space Company) several other companies that had evinced interest earlier are now “waiting for the right time to enter the Indian market.”

The total project cost is estimated at \$40 million spread over five years, which includes new hangars for wide body aircraft equipment.

“What attracted the MRO industry to India was cheap labour and a huge market but the downturn and a relatively new fleet have discouraged players,” felt KPMG executive director Rajiv Batra.

Despite major players looking out,



### PLANS GONE AWRY

**LUFTHANSA TECHNIK'S** MRO and whole-sale trade plan for aircraft components

Aircraft Engine makers **GE, PRATT & WHITNEY, ROLLS ROYCE**

**SINGAPORE AIRLINES** plan to tie up with an Indian partner

Hyderabad-based **HAMCO'S** planned Special Economic Zone Aerozone was supposed to be a “one-stop shop” for all aviation-related MRO services

Israel's **EL AL** India plans

Gurgaon-based Air Works has been cleared by the Directorate General of Civil Aviation for setting up an MRO facility at Hosur in Bangalore at an estimated cost of \$ 50 million over 5 years.

“I think for this market we are venturing in at the right time. We will start with maintenance and repair of the smaller aircraft and gradually move up,” Fredrik Groth, chief executive officer of Air Works, said.

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