

# India-US trade framework will accelerate aviation growth, says Boeing India official

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New Delhi

The proposed India-US trade framework could accelerate growth in the aviation sector by easing tariffs on aircraft components and strengthening supply chains, Salil Gupte, President, Boeing India and South Asia, told *businessline*.

He noted that policy support under the agreement may also help position India as a global aerospace hub. On January 7, India and the US reached a framework for an interim trade agreement that sets out areas where India will gain improved access to the American market.

Under the framework, the US will remove tariffs on certain aircraft parts from India that were earlier imposed under national security-related measures covering aluminium, steel and copper imports.

According to Gupte, the framework is likely to usher

in a period of significant change.

"Lower costs, stronger supply chains and deeper international cooperation could position India not only as one of the world's fastest-growing aviation markets, but also as an increasingly important hub for manufacturing, maintenance and innovation," he said.

## STRONG TIES

Calling the agreement a sign of deepening ties between the two countries, Gupte added that "the US-India trade agreement is a strong signal of the two nations' commitment to deeper economic partnership".

In aerospace and defence, he noted that Boeing has long supported a zero-for-zero tariff approach, and "this deal creates momentum to extend that principle, which will boost industrial growth, strengthen national security and deliver win-win opportunities for both countries".



Salil Gupte, President, Boeing India and South Asia

Besides, Gupte said that domestic policy measures announced in the Budget are expected to reinforce the sector's growth.

Referring to the exemption of basic customs duty on aircraft components, Gupte said, "By exempting basic customs duty on components, the government has met a long-standing industry demand and directly reduced the cost of aircraft maintenance in India."

Additionally, Gupte cited that the reform will make Indian maintenance, repair and overhaul (MRO) providers more competitive with global hubs, attract new in-

vestment and strengthen the country's role in the international aviation supply chain.

On the manufacturing side, Gupte said the Budget measures mark "a transformative step towards building a global hub for aerospace production".

Further, by exempting basic customs duty on raw materials and components, "the government has lowered entry barriers and reduced costs for manufacturers and suppliers", strengthening the foundation for domestic production and deepening the aerospace supply chain, according to him.

## NEW VISTAS

"As India prepares for a sharp expansion in aviation traffic into the next decade, these incentives help capacity keep pace with demand while opening a unique opportunity to integrate the nation's vast coastline into the mainstream aviation map through localised innovation," said Gupte.