

## EDITOR'S NOTE

The much delayed process of aircraft acquisition and the excruciatingly tough trials to evaluate the six aircraft on offer have finally led to the short-listing of the French Rafale as the key Medium Multi-Role Combat Aircraft (MMRCA) for the coming years. There is still a long process ahead to negotiate the terms of the contract wherein offsets, no doubt, would constitute a key factor. It would be gross error to think of offsets only in terms of the financial element in that 50 percent of the cost would have to be ploughed back into the Indian industry and economy. We need to understand that the very reason we are buying the MMRCA is that we were not able to design and develop it in spite of having manufactured and overhauled thousands of aircraft and engines in our aircraft industry which has grown into a colossus over the past 72 years. *The offsets process must be seen as a lever to acquire greater capability in design and development of aircraft and their systems.* After all, the Rafale has already been designed and over 160 aircraft have been manufactured and are in service with the French Air Force, some of which were employed in thousands of strikes over Libya.

It is obvious that with a life of nearly 3-4 decades (in actual service), the Rafale will require upgrades in technological terms of a large number of its systems and sub-systems like the radar, Electronic Counter-Measure (ECM) systems, etc. in another 10-15 years from now. The research and development of such upgrades (and the prioritisation of such steps) must be planned now in conjunction with Dassault and other manufacturers of such systems. The crux of the matter is that such upgrades must be developed and applied in

India by the Original Equipment Manufacturer (OEM) in partnership with Indian entities, preferably in the private sector, which would also help to raise the technological and design capabilities in the aviation and other sectors and, in turn, energise the Indian industry and economy. In the first case, such an approach may require 70:30 partnership led by the OEM, which should lead to Indian companies taking on 70 percent share by the time the aircraft gets ready for the next major upgrade 10-15 years later.

These joint ventures would form the base for design and development of systems and components for military and civil aviation in India for the future. The government must avoid the temptation of accepting offsets in the shape of already designed systems like the mission simulator, as has been done in the case of the Lockheed C-130 Super Hercules; or that of seeking to do everything in and through Hindustan Aeronautical Limited (HAL). Building design and development capacity and capability in a whole range of weapon connected systems and components/spares is the route that will make any “mother of deals” productive and cost-effective in the decades ahead.