

TATAS INK DEAL WITH LOCKHEED TO MAKE F-16 PLANES IN INDIA

Reuters

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PARIS: Lockheed Martin signed an agreement with India's Tata Advanced Systems on Monday to produce F-16 fighter planes in India, pressing ahead with a plan to shift its Fort Worth, Texas plant to win billions of dollars worth of order from the Indian military.

India's air force needs hundreds of aircraft to replace its Soviet-era fleet, but Prime Minister Narendra Modi's government has said foreign suppliers would have to make the planes in India with a local partner to help build a domestic industrial base and cut outright imports.

But Modi's Make-in-India drive runs the risk of conflicting with US President Donald Trump's America First campaign under which he has been pressing for companies to invest in the United States and create jobs instead of setting up factories abroad.

In announcing their agreement at the Paris Airshow, Lockheed and Tata said moving the production base to India would still retain jobs in the United States.

"F-16 production in India supports thousands of Lockheed Martin and F-16 supplier jobs in the US, creates new manufacturing jobs in India, and positions Indian industry at the centre of the most extensive fighter aircraft supply ecosystem in the world," a joint statement by the firms said.

Sweden's Saab is the other contender to supply the Indian Air Force, offering to make its Gripen fighter in India.

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It has not yet announced a local partner for the plane which it has pitched as a modern alternative to the F-16s.

The announcement comes days before Modi travels to Washington for a first meeting with Trump, scheduled for June 26. India and the United States have built a close defence relationship in recent years with Washington emerging as among the top three arms suppliers to India, along with Russia and Israel.

India will also have the chance to export the F-16 that is flown by air forces around the world, the joint statement said. Some 3,200 of these planes are being flown by 26 countries and the model that is being offered to India will be Block 70, the most modern of all the F-16s.

"This unprecedented F-16 production partnership between the world's largest defense contractor and India's premier industrial house provides India the opportunity to produce, operate and export F-16 Block 70 aircraft, the newest and most advanced version of the world's most successful, combat-proven multi-role fighter," the statement said.

Tata is already building airframe components for the C-130 military transport aircraft.

India has not opened formal bidding for the jet order, which is expected to be anything from 100 planes to 250.