

GOVERNMENT OF INDIA  
MINISTRY OF CIVIL AVIATION  
LOK SABHA  
UNSTARRED QUESTION NO. : 225

(To be answered on the 29<sup>th</sup> January 2026)

**IMPACT OF IMPORT DEPENDENCE ON CIVIL AVIATION SECTOR**

225. SHRI K E PRAKASH

Will the Minister of CIVIL AVIATION नागर विमानन मंत्री be pleased to state:-

- (a) whether the Government has assessed the extent of import dependence in the civil aviation sector, particularly for aircraft, engines, components and Maintenance, Repair and Overhaul (MRO) spares and if so, the details thereof along with its impact on operating costs; and
- (b) the specific measures being taken to reduce such import dependence through promotion of indigenous manufacturing and domestic MRO facilities?

**ANSWER**

Minister of State in the Ministry of CIVIL AVIATION

नागर विमानन मंत्रालय में राज्य मंत्री

(Shri Murlidhar Mohol)

(a) and (b) Globally, Airbus and Boeing are the two dominant Original Equipment Manufacturers (OEMs) who manufacture commercial fixed wing aircraft while other OEMs manufacture regional aircraft. As per industry estimates, approximately 80-90 per cent of Indian aircraft Maintenance, Repair and Overhaul (MRO) spending flows to overseas facilities. This creates direct costs including foreign exchange outflows and aircraft downtime, as well as indirect costs related to spare engine requirements and operational complexity.

In order to reduce import dependency, the Government promotes and facilitates the development and manufacturing of aircraft and associated equipment by public and private enterprises in India. Council of Scientific and Industrial Research (CSIR), through its constituent laboratory namely, CSIR-National Aerospace Laboratories (CSIR-NAL), has developed indigenous 2- seater trainer aircraft Hansa-3 (NG), which is type-certified by Directorate General of Civil Aviation (DGCA) for use by Flight Training Organisations (FTOs) for commercial pilot training.

Other measures to create a conducive environment for the development of the aircraft Maintenance, Repair and Overhaul (MRO) sector, include the new MRO Guidelines announced on 1st September, 2021 which inter alia abolish royalties and build in transparency and certainty in land allotments for MROs in AAI airports. On the taxation front, Government has reduced the taxes (IGST) on imports of aircraft components and aircraft engine parts to 5%, to make the domestic aerospace industry more competitive. GST on MRO has been reduced from 18% to 5% with full Input Tax Credit and Transactions sub-contracted by foreign OEMs/MRO to domestic MRO are treated as 'exports' with zero-rated GST. Customs duty has also been exempted on tools and tool kits.

Further, the period for export of goods imported for repairs has been extended from six months to one year and the time-limit for re-import of goods for repairs under warranty has been extended from three to five years. More recently, the Visa Manual has been amended to incorporate suitable provisions for granting Business Visa and Temporary Landing Permit (TLP) to foreign pilots and crew of scheduled or non-scheduled flights coming for the purpose of MRO services in India.

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