

France marginally reduces Rafale price, says report

27/01/2016 20:53 by admin

New Delhi: The French have "marginally" reduced the price of Rafale combat planes but India is seeking more and the multi-billion dollar deal could take at least another six weeks to be finalised, government sources said on Wednesday.

The price for 36 Rafales, as per the UPA tender, keeping the cost escalation and dollar rate in view, comes to over Rs 66,000 crore (around 9 billion Euros), they said.

This includes the cost involved in making changes that India has sought in the aircraft, including Israeli helmet-mounted display and some specific weaponry, among others.

"The effort is to bring down the price to around Euros 8 billion (over Rs 59,000 crore)," the sources said, adding that the actual price negotiations only started from January 21.

"They have come down from the original price as per the earlier tender of the UPA but we expect more," they said.

Asked about plane price being offered by the French now, they said it has been reduced "marginally".

Prime Minister Narendra Modi and French President Francois Hollande Modi had agreed to conclude an inter-governmental agreement for supply of the aircraft "on terms that would be better than conveyed by Dassault Aviation as part of a separate process underway", which was the MMRCA (medium multi-role combat aircraft) tender.

Another point under discussion is the payment of advance which India will have to make.

"At least 50 per cent advance will have to be made, including 15 per cent immediate payment," the sources said, adding that details on how the French government will stand guarantee was being worked out.

- PTI