

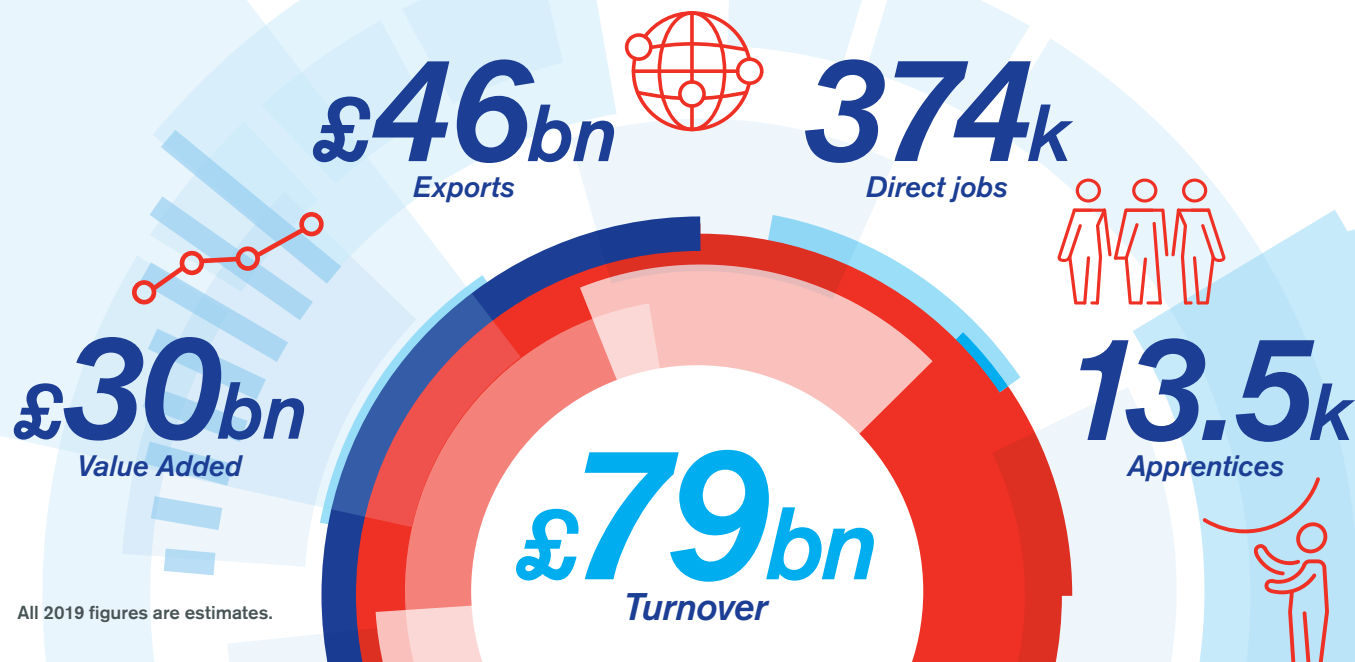
Industry Facts & Figures

A guide to the UK's aerospace,
defence, security & space sectors

Major contribution to UK jobs, skills, exports & growth

Supporting 1,000,000 jobs across the country, our sectors offer global growth opportunities and are vital to the UK's future as a high-tech, high-skill, high-wage economy.

In 2019 the UK aerospace, defence, security and space sectors' contribution to the UK was:



The **strength** of our **sectors**

Our 1,100+ members, including more than 1,000 SMEs, span the length and breadth of the UK.

Government and industry Ensuring UK growth, investment and recovery

1

To achieve net zero carbon emissions by 2050

our industries are committed to an ambitious sustainability agenda and investment in long-term innovation

2

By boosting the diversity of our industries,

we are unlocking access to career pathways and opportunities, attracting the best UK talent

3

The UK Government must deliver a close future relationship with the EU

and secure international trade deals that support our ability to compete in export markets

4

Government and industry are building on the successful industrial strategy partnership that attracts investment and supports growth

5

Strong support for restart and recovery in our industries

is essential to minimise the impact of the COVID-19 crisis on jobs, investment and industrial capability

The strength of our sectors

Our 1,100+ members, including more than 1,000 SMEs, span the length and breadth of the UK.

Together the UK's aerospace, defence, security and space companies generate well-paid jobs, high-tech exports and sustainable growth in every region and nation of the country.

Number of direct jobs across industry in:




Aerospace

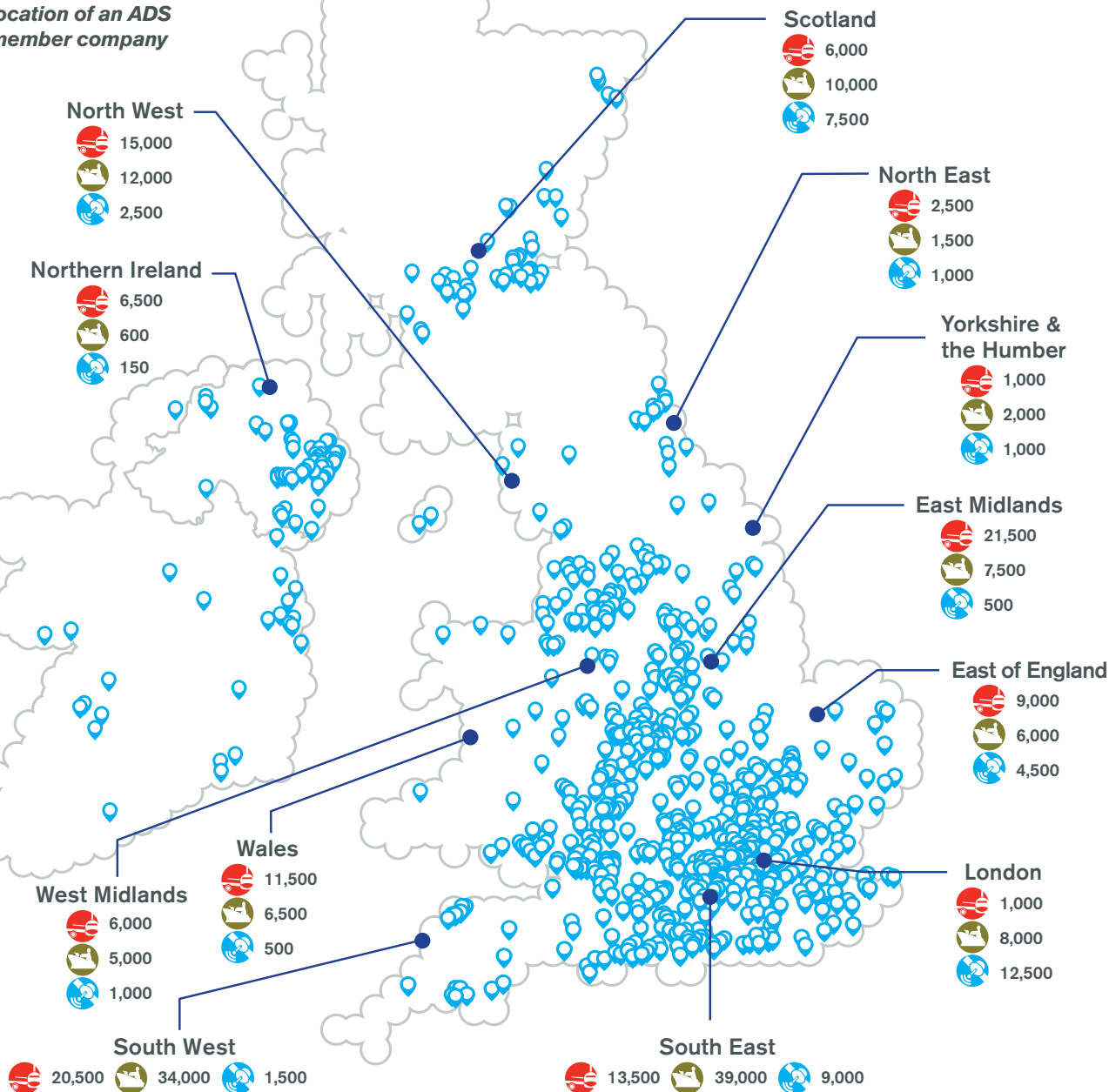


Defence



Space

 Indicates the location of an ADS member company



Space regional employment taken from *Size and Health of UK Space 2018* by London Economics.
Regional data is not available for the security sector. Employment data does not include Republic of Ireland.
All 2019 data is based on ADS estimates that were compiled before the COVID-19 crisis.

Impact of COVID-19

on UK sectors



This annual publication is used by ADS, our members, partners and stakeholders as a reference for the size and strength of our sectors at the end of the previous calendar year. The facts and figures in this annual guide to our sectors therefore reflect their size and strength as recorded at the close of 2019.

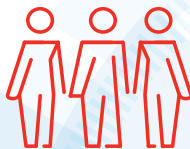
At the time of publishing this guide in June 2020, the world economy has been heavily affected by the COVID-19 pandemic, the full impact of which on jobs, manufacturing and consumer demand is only beginning to become clear. Production forecasts for 2020 have been cut from the output achieved in 2019, and employers have begun to notify their workforces of potential job losses.

ADS publishes regular monthly insights into economic performance in civil aerospace, and engages with members through a variety of formats on the impact of the COVID-19 pandemic, and on priority areas for support. Many industry experts believe that a full recovery from the economic crisis could take several years.

UK Aerospace sector

The UK's aerospace sector is world-leading, generating well-paid jobs, high-tech exports and sustainable growth across the country.

£**31.8bn**
Exports




114k
Direct employees



19%
Turnover growth
since 2014




£**33.9bn**
Turnover



4.5k
Apprentices

Aerospace is assumed to be 75% civil and 25% defence.
All 2019 data is based on ADS estimates that were compiled before the COVID-19 crisis.

Aerospace Growth Partnership (AGP)

The AGP is celebrating 10 years of industry and Government working in partnership to make the UK the most attractive aerospace location in the world

Over 250 companies across the UK have benefitted from over £2.5bn in R&D investment through the Aerospace Technology Institute

Encourages bottom up innovation through the National Aerospace Technology Exploitation Programme (NATEP), which will deliver £10m to mature 60 aerospace technologies and create jobs alongside supply chain improvement programmes like SC21

Up to £125m of Government funding for the UK to become a world leader in electric flight through the Future Flight challenge

Delivering new technologies and UK growth

- Average annual earnings of £43,000, 42% higher than the UK average
- 87% of aerospace jobs are located outside of London and the South East
- 94% of aerospace output is for export

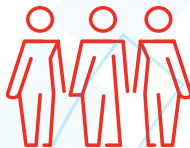


UK Defence sector

The UK is the second largest defence exporter in the world, which helps deliver the equipment and services our armed forces and security services need to safeguard national security.



£24.4bn
Turnover



132k
Direct employees



3%
Turnover growth
since 2014



5k
Apprentices

£10.9bn

Export orders
2018



Defence Growth Partnership (DGP)

Strategic position of the UK defence sector through focused engagement at major exhibitions such as DSEI and Farnborough International Airshow in the UK, and supporting Team UK internationally

DGP's UKDSC has further developed its world-class expertise in managing data on export markets to provide objective, evidence-driven, strategic market intelligence and analysis

UKDSC has developed unique investment frameworks that enable the MOD to co-invest in cross sector innovation priorities

In partnership with MOD and industry, hosting a new Joint Economic Data Hub to understand the economic benefit to the UK of the defence sector

Delivering prosperity and innovation

- **Average annual earnings of £36,500, 20% higher than the UK average**
- **65% of defence jobs are located outside London and the South East**
- **£2bn of funding for the UK's future Combat Air capability, including the inspirational Tempest programme**

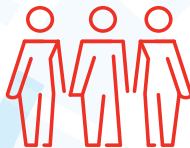


UK Security & Resilience sector

The UK's security and resilience sector provides solutions to the challenges we all face today, from cyber security to products and services which address the threats of terrorism and all other aspects of national security.



£14.5bn
Turnover



114k
Direct employees

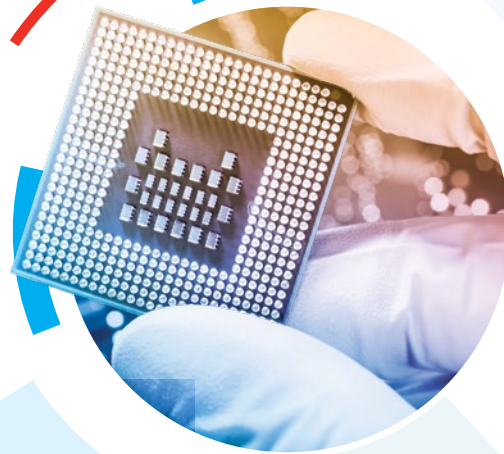


67%
Turnover growth
since 2014



3k
Apprentices

£5.5bn
Exports



Security and Resilience Growth Partnership (SRGP)

The SRGP brings together industry, academia and government to demonstrate the UK's security expertise and capabilities

The SRGP is working to ensure the UK's world-class security industry can effectively support national security and prosperity through the Defence and Security Industrial Strategy

The SRGP has supported growth through the UK's Security Export Strategy, directing industry contributions and coordinating priority market opportunities

Delivering security at home, abroad and online

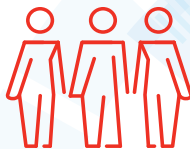
- **Average annual earning of £37,100, 22% higher than the UK average**
- **The global security market is expected to reach a value of \$167bn by 2025**
- **Over the last four years total investment identified within the cyber security sector has exceeded £1.1bn**



UK Space sector

The UK's space sector is at the cutting edge of exploring the universe and connecting people to the world around them.

£5.5bn
Exports



42k
Direct employees



7%
Turnover growth
since 2014



£14.8bn
Turnover 2018



2k
Apprentices



Space data from *Size and Health of UK Space 2018* by London Economics.
All 2019 data is based on ADS estimates that were compiled before the COVID-19 crisis.

Space Growth Partnership (SGP)

The UK's space sector is at the forefront of developing technologies and fostering innovation and growth

Accelerating growth year on year, the UK is a world leader in nano, small satellites and with the ambition to achieve £40bn of global space revenues by 2030

Government and industry working together to form the UK's first National Space Council to join up space policy across Government

This year the UK successfully invested record amounts of money to the European Space Agency to bring more ESA projects to the UK

Delivering innovation and the technologies of tomorrow

- **40% of all small satellites currently in orbit were manufactured in the UK**
- **Wider GDP supported by UK satellite services is more than £300bn**
- **The UK space sector spent over half a billion pounds in 2016/17 on R&D**
- **All of the UK's regions and nations are home to headquarters of space organisations**





Working for our members

ADS contacts

Jonathan Hawkins

Head of Policy and Public Affairs

T: +44 (0) 20 7091 1128

jonathan.hawkins@adsgroup.org.uk

Alex Hamilton

Head of Media & PR

T: +44 (0) 20 7091 1127

alex.hamilton@adsgroup.org.uk

Twitter: @ADSGroupUK

adsgroup.org.uk/facts2020

ADS facts and figures are estimates for 2019 data compiled from a range of sources including official data from the Office for National Statistics, Oxford Economics, Department of Businesses, Energy and Industrial Strategy and a number of reports including from the UK Space Agency and Grand View Research, Inc.

ADS is the UK trade organisation representing the aerospace, defence, security and space sectors.

ADS is focused on representing the interests of these valuable wealth producing industries in the UK and overseas to key stakeholders, government and the media. Farnborough International Limited, which runs the Farnborough International Airshow, is a wholly owned subsidiary.