



UK AEROSPACE OUTLOOK

2023

A guide to the UK
aerospace sector



AN ACTIVE AEROSPACE SECTOR

THE AEROSPACE GROWTH PARTNERSHIP (AGP)

- ▀ The AGP is a strategic partnership between the UK Government, devolved administrations, the UK aerospace industry, and several key stakeholders including Academia and the Catapults.
- ▀ Established in 2010 to secure the future of the industry, tackle barriers to growth and boost competitiveness and exports in the face of an ever changing, and increasingly competitive global landscape.
- ▀ At the Farnborough Airshow 2022, the AGP launched Destination Net Zero, a strategy for the UK to develop its supply chain ambitions through Supply Chain Solutions (SCS), be a world leader in sustainable technology, and tackle current and future skills needs.

A SUCCESSFUL RETURN FOR INTERNATIONAL AIRSHOWS

- ▀ The Farnborough International Airshow returned in July 2022, marking a post-pandemic milestone for the aerospace industry.
- ▀ The Paris Airshow in June 2023 marks the return to Le Bourget, as industry gathers once again to look ahead to the opportunities and challenges in the year ahead.

WOMEN IN AVIATION AND AEROSPACE CHARTER

- ▀ The Women in Aviation and Aerospace Charter brings together companies and organisations within the UK's aviation and aerospace sectors making a commitment to work together to build a more balanced and fair industry for women.
- ▀ The Charter aims to support the overall diversity of the sector by encouraging the progression of women into senior roles in the aviation and aerospace sectors.
- ▀ Signatories of the Charter aspire to see gender balance at all levels across aviation and aerospace.

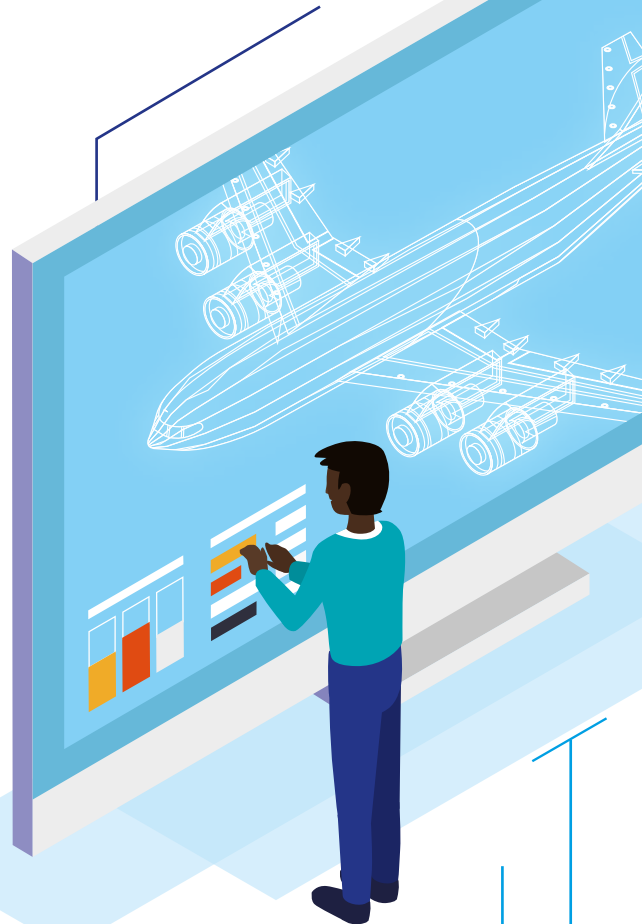


UK AEROSPACE SECTOR

The UK's aerospace sector is a hub for advanced manufacturing, generating well-paid jobs across the country and driving decarbonisation through innovation.



Aerospace is assumed to be 68% civil and 32% defence



BUSINESS OPPORTUNITIES IN 2023



GLOBAL PRODUCTION RAMP UP

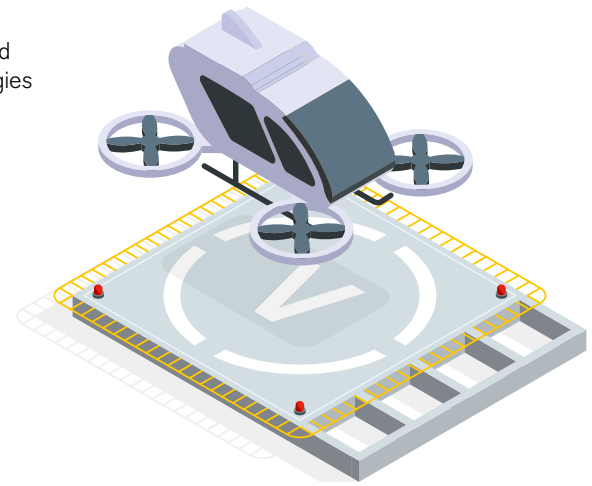
- ▣ As the aviation industry continues to recover, aircraft manufacturers are looking to increase production rates.
- ▣ The growing demand for aircraft is driving new and continued business for the aerospace supply chain at a pace that is creating some challenges for industry.
- ▣ The ongoing cost of doing business and widespread labour shortages across all skill levels are pressures which remain a critical strategic priority.

INNOVATION DRIVING DECARBONISATION

- ▣ The transition to net zero and the need to develop clean aerospace technologies continues to be a focus of innovation and research within the sector.
- ▣ Exciting new developments, including revolutions in propulsion, airframe design, and efficiency improvements, are among the focus of the next generation of aerospace technology.

AEROSPACE TECHNOLOGY UNLOCKING NEW AVIATION OPPORTUNITIES

- ▣ Advancements in battery technology and propulsion systems are unlocking new flight markets, envisioning novel use cases for future flight such as urban and regional air mobility.
- ▣ This new sector has already seen more than 10,000 orders placed globally, by 2023 with entry to service expected in the next few years¹.



¹ <https://aamrealityindex.com/aam-reality-index>

POLICY LANDSCAPE

SUSTAINABILITY AND THE GREEN TRANSFORMATION

- Industry coalition Sustainable Aviation (SA) launched its updated roadmap in April 2023, setting out a realistic and achievable path for aviation to reach net zero by 2050.
- ADS works in close collaboration with Government, including through the Jet Zero Council, to ensure that the UK aerospace industry, through the SA roadmap, can become a leader in the production and use of sustainable aviation fuels.

REGULATION IN THE SPOTLIGHT

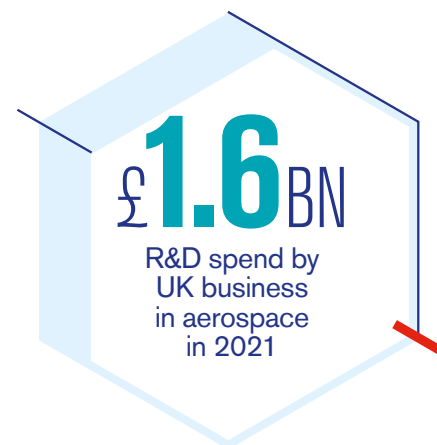
- As new technologies and new modes of flight are developed, there is an increased need for greater regulatory capacity to bring these technologies to market.
- A shared global challenge, UK industry is looking to work closely with Government and the Civil Aviation Authority (CAA) to certify exciting new technologies.

UK INDUSTRY LEADING THE WAY IN AEROSPACE RESEARCH

- The Aerospace Technology Institute (ATI) is driving world-leading research, jointly funded by industry and government of £685m each until 2025.
- UK applications to Horizon Europe's Clean Aviation won more than £70m funding in 2022, with funding assured by the UK Government's Horizon Europe guarantee.

SKILLS AND WORKFORCE

- To ensure long term competitiveness on the international stage, aerospace is working with public sector stakeholders to coordinate efforts to address workforce and skills shortages.
- As the aerospace sector is facing up to the workforce challenges of skills gaps and employees taking early retirement, apprentices and graduates are seen as a route to grow the workforce.



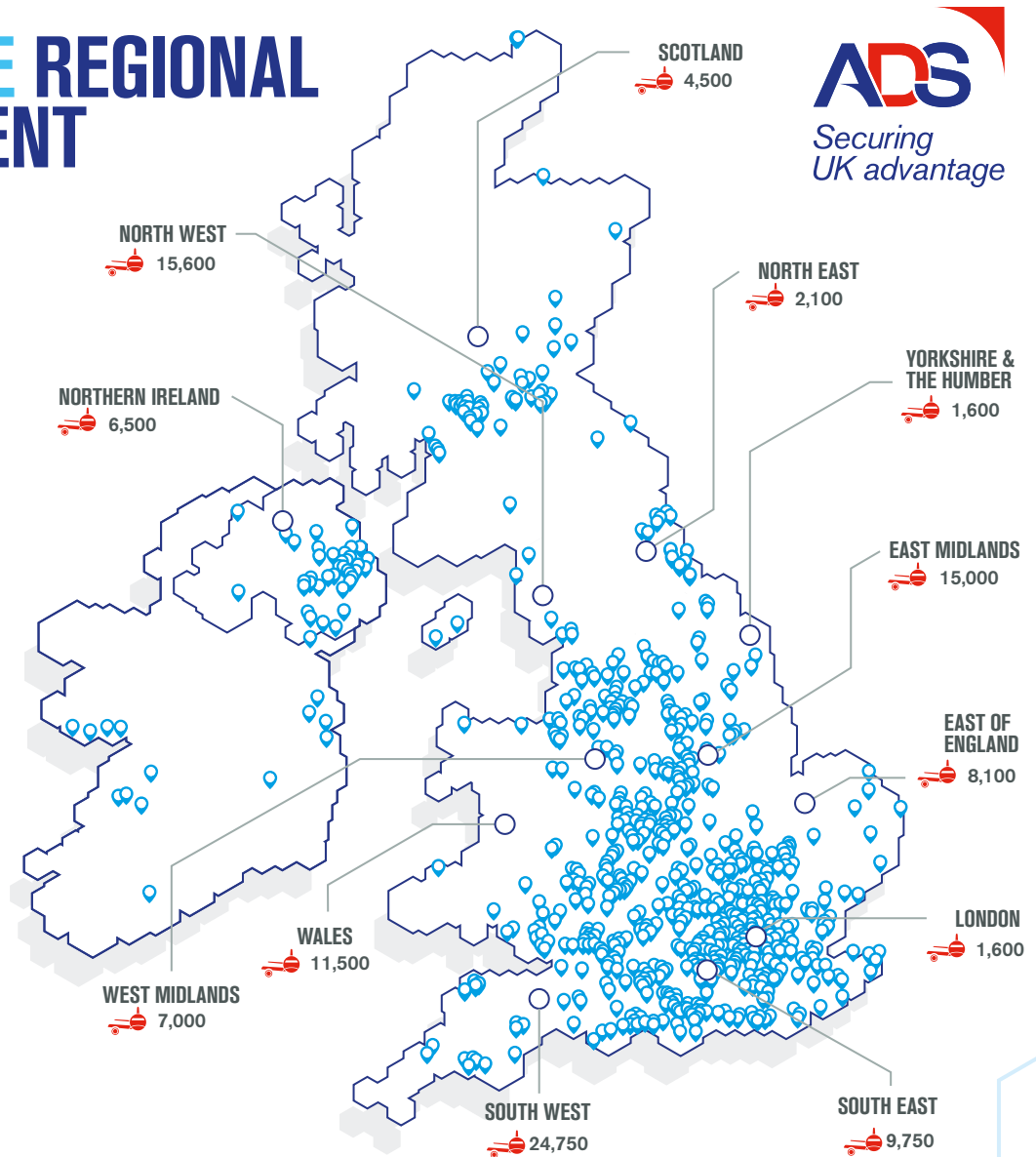
AEROSPACE REGIONAL EMPLOYMENT

The aerospace sector employs people in all regions and nations of the UK.

REPRESENTS NUMBER OF DIRECT EMPLOYEES IN THE UK AEROSPACE SECTOR:



INDICATES THE LOCATION OF AN ADS MEMBER WHICH IS ACTIVE IN THE AEROSPACE, DEFENCE, SECURITY OR SPACE SECTOR



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ADS is the UK Trade Association advancing leadership in aerospace, defence, security and space, to enable prosperity and clean, secure growth for our nation.

ADS Aerospace Outlook 2023 uses data estimates from ADS own sources, data from the Office of National Statistics and Government publications.