



UK aerospace

World-beating, let's keep it that way

SURVIVE REBUILD RECOVER

Economic and social importance of the UK's aerospace sector

National profile

June 2020

About Acuity Analysis

Acuity Analysis was formed in 2017 and is an independent research organisation, created to serve the union movement and help rebalance power in the workplace. Unions from all sectors call upon our expertise and worker-focused analyses to provide additional leverage in negotiations and strengthen the influence of members in the workplace, the regions and nationally.

We provide unions with policy papers, employment and economic modelling, regional and industry-specific impact assessments. Our work gives unions a deeper and richer understanding of the context for corporate decisions and the impact on workers and communities.

Our close relationship to the movement and belief in its values are embedded in everything we do, and our long-standing partnership sets us apart from conventional research organisations. It means we instinctively understand the needs of our clients, and quickly capture the fundamentals of any brief, saving time and cost.

All our research is presented in an easy-to-use format and straightforward language, requiring no prior expertise, and our documents are designed for use by union officials, to promote and strengthen democracy at work.

About data sources

SIC code 30300 relates specifically to the Manufacture of air and spacecraft and related machinery and is the most appropriate data for the topic of this report. However, in a small number of cases the official government data at this level of the economy is not available. In these instances, data from a broader industrial category which covers manufacturers of transport equipment have been used and are identified as such in the text.

Technical information and terminology

For the purposes of this document, the aerospace sector comprises two distinct economic activities

- **aerospace manufacture** is the manufacture of air and spacecraft related machinery (SIC 3030).¹
- **MRO** is the Maintenance, Repair and Overhaul of aircraft and associated systems and components throughout the life of an aircraft from its initial entry into service through to its ultimate disposal (SIC 3016).

Data sources

The vast majority of the data used in this document are sourced from the Office for National Statistics. Employment data for the aerospace sector as a whole on page 12 are derived from figures published by ADS, which are slightly higher than those provided by the ONS.

Gross Value Added (GVA)

Throughout the document references are made to Gross Value Added or GVA. GVA is the additional income generated by business activities and is widely used to illustrate the economic significance of a sector in the economy.

¹ Standard Industrial Classification classifies business by the type of economic activity in which they engage.

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Executive summary

- The UK aerospace sector employs 102,000 people across 2,655 companies and in just under 3,000 workplaces.
- Productivity in aerospace is high and the workforce generate nearly £50 worth of output every hour.
- Average weekly wages in the sector are £780.80, some of the highest in the UK.
- The sector's workforce injects almost £5 billion into the UK economy via wages
- The sector generates £9 billion in Gross Value Added every year.
- Lancashire has the most concentrated aerospace activity in the UK.
- Over £34 billion worth of aerospace goods and services are exported every year, providing a cushion for the UK's significant trade deficit. The aerospace sector exports around 72 per cent of its output.
- Aerospace companies account for 7 per cent of the UK's total R&D annual spend.
- Aerospace R&D is significant at £1.7bn (2017)

Companies and employment

- In 2018 aerospace companies in the UK directly employed 102,200 people across the UK – the vast majority worked full-time and 5,300 worked part-time.

UK aerospace employment in 2018

(thousands)

	Full-time	Part-time	All
Manufacture	78.5	3.8	82.3
MRO	18.4	1.5	19.9
TOTALS	96.9	5.3	102.2

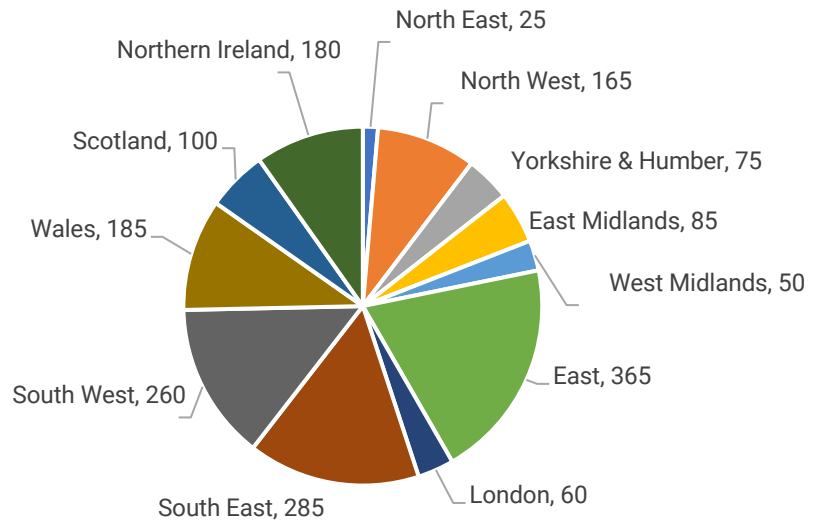
- In addition, it is widely reported that the aerospace sector supports 20,000 to 30,000 additional jobs through the supply-chain.
- As of March 2018, there were 875 aerospace manufacturing companies in the UK, spread across 980 workplaces, generating an annual turnover of > £38 billion.
- An estimate 1,835 companies are engaged in aerospace MRO activities in the UK, employing just under 20,000 people and producing around £4 billion GVA in 2016.
- The table below shows the number of aerospace companies, split into manufacture and MRO activities, by workforce size, in the UK. There are 2,420 aerospace companies with fewer than 10 employees.
- The charts below provide an overview of the geographical spread of the manufacture and MRO sub-sectors of the aerospace sector. The figures provided in each chart represent the number of companies within a UK region.

No. of aerospace companies, by workforce size band, 2018

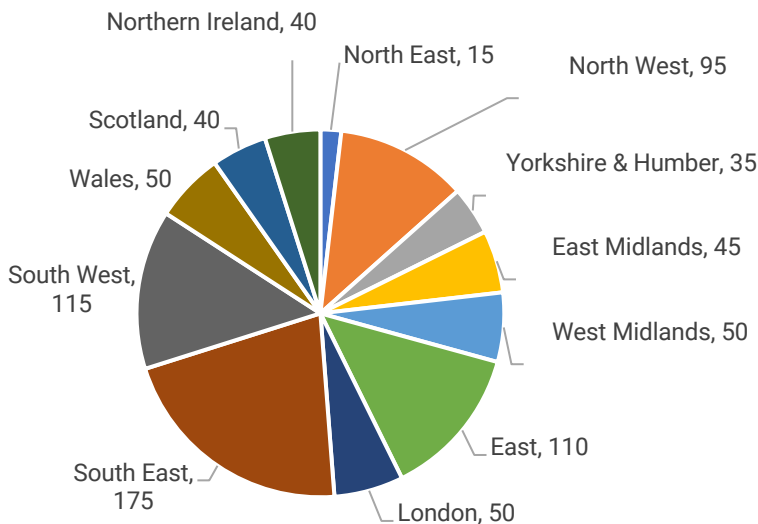
	0-4	5-9	10-19	20-49	50-99	100-249	250+	Total
Manufacture	645	35	15	30	25	25	45	820
MRO	1,700	40	25	20	20	15	15	1,835

- On the whole MRO companies are located in similar proportions and regions as aerospace manufacturing companies.
- This is likely the result of a strategic decision to locate MRO activities nearby to airports and/or other aerospace manufacturing facilities.

Number and regional distribution of MRO companies



Number and regional distribution of manufacturing companies



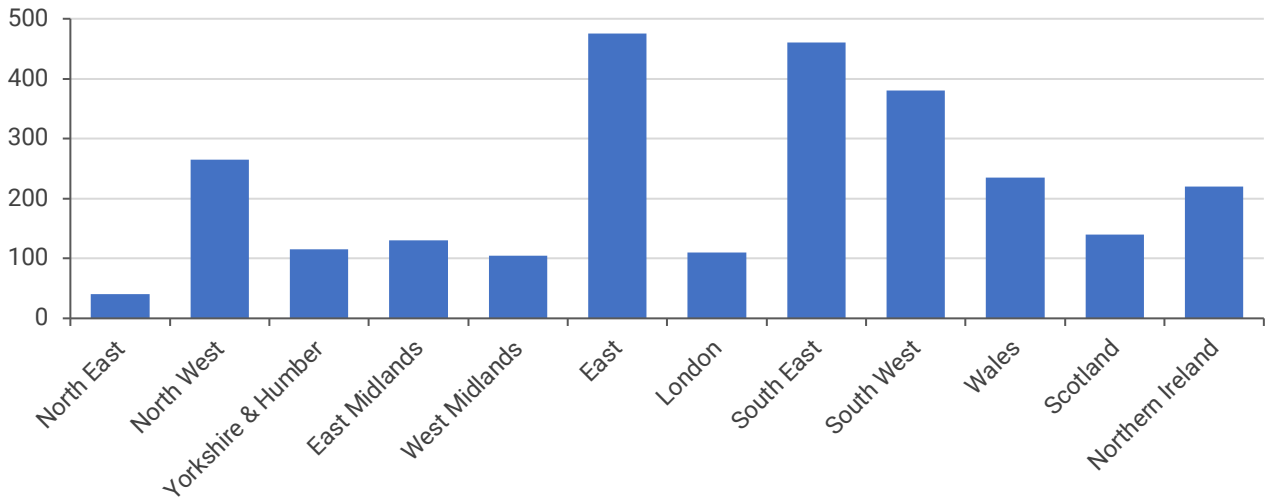
- In fact, in a number of cases the proportions of manufacturers and MROs a region are broadly similar.

- For example, the share of MRO companies based in Yorkshire & Humber is 4 per cent. The share of aerospace manufacturers in the same region is the same.

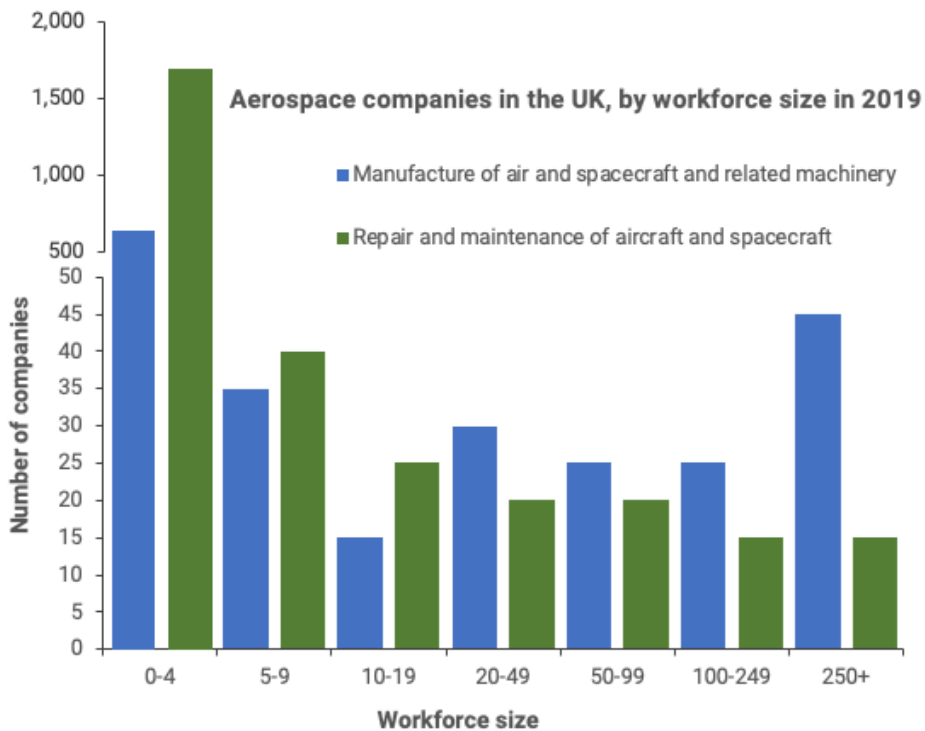
- This correlation applies to manufacture and MRO in four regions and is very similar to the relative share of each region for both sub-sectors.

- The graph below highlights the regional distribution of the entire UK aerospace sector. Note that the inclusion of MRO businesses somewhat distorts the sector's geographical profile, particularly in the North-East, South-East and South-West.

No. of manufacture and MRO aerospace companies by UK region, 2018

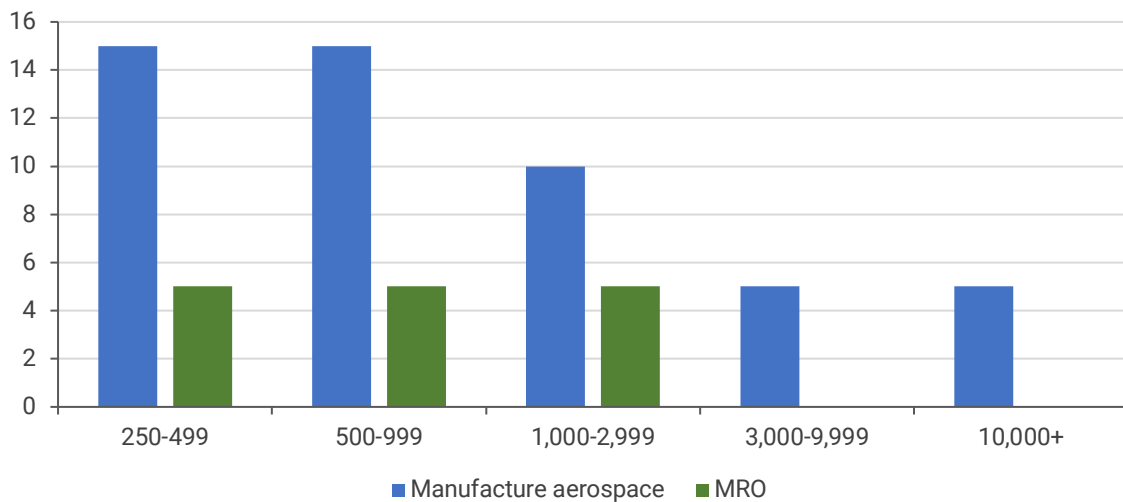


- The graph below provides a profile of the size of companies in the aerospace sector. Notice the huge number of MRO micro-companies (employing fewer than five people) compared to the number of these sized firms within aerospace manufacturing.



- Note also the significant number of manufacturers with a workforce of 250 or more, compared to MROs.
- A breakdown of the 60 aerospace companies in the UK that employ more than 250 workers is provided in the graph below and highlights the sheer scale of some of the country's aerospace businesses.

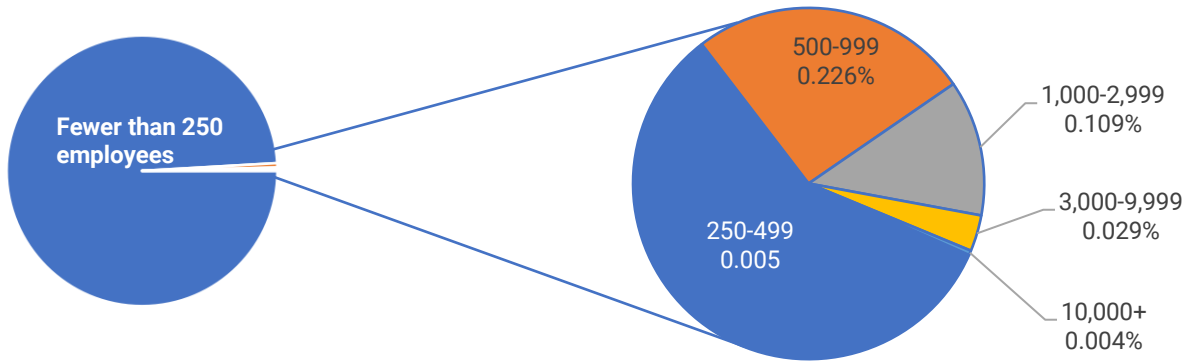
No. of manufacture and MRO companies with 250+ employees, 2019



- The graph also shows that 94.5 per cent of aerospace manufacturers in the UK employ less than 250 people, compared to just over 99 per cent of MRO companies.
- In addition, 92.6 per cent of MRO companies employ less than five workers, compared to 78.6 per cent for aerospace manufacturers.
- Next we compare the aerospace sector to manufacturing generally. In the aerospace sector, 94 per cent of companies employ few than 250 workers. The same figure for manufacturing generally is 98.5 per cent. The overall size profile of the companies in both is markedly different, indicating a structural difference that demands further analysis.

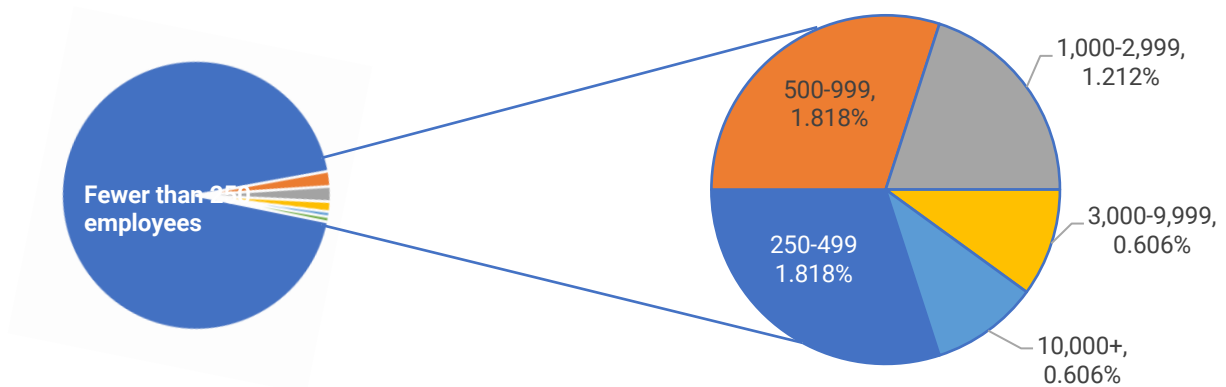
- Excluding companies employing less than 250 people, the composition of aerospace companies, in terms of workforce size, differs markedly from that of manufacturing generally.

Manufacturing: % of firms by workforce size, 2019



- A much larger share of the overall workforce in aerospace is employed by firms with 250 to 499,000 workers compared with the manufacturing industry generally.
- The aerospace sector, in contrast to much of manufacturing in the UK, has a smaller number of bottom supply-chain companies, as can be seen from the graphic below.

Aerospace: % of firms by workforce size, 2019



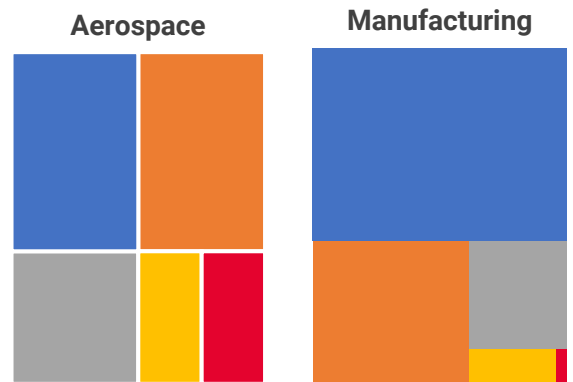
- The workforce distribution within MRO companies is also at odds with manufacturing generally, as the table shows.

	% of companies in specific workforce size bands					
	0-249	250-499	500-999	1,000-2,999	3,000-9,999	10,000+
Aero manufacturing	93.94%	1.82%	1.82%	1.21%	0.61%	0.61%
MRO	99.18%	0.27%	0.27%	0.27%	0.00%	0.00%
Manufacturing	98.53%	0.51%	0.23%	0.11%	0.03%	0.004%

- The two graphics opposite provide an alternative way of looking at the same data.

Note the significantly fewer, smaller aerospace companies in the supply chain compared with manufacturing generally. Also note the difference between the two groups of very large companies.

■ 250-499 ■ 500-999 ■ 1,000-2,999 ■ 3,000-9,999 ■ 10,000+



- However, the workforce distribution within MRO companies is very similar to manufacturing generally, as the table shows.

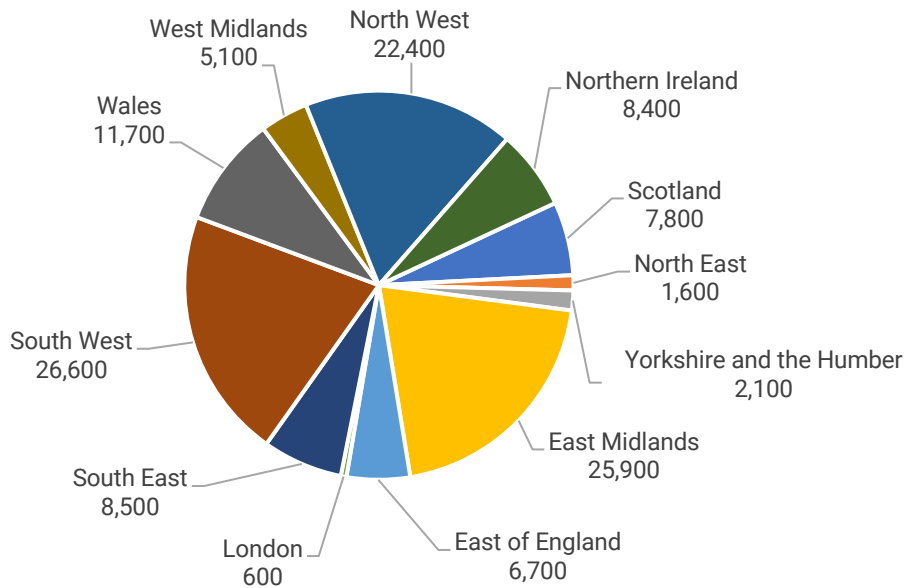
	No. of companies in specific workforce size bands					
	0-249	250-499	500-999	1,000-2,999	3,000-9,999	10,000+
Aerospace	775	15	15	10	5	5
All manufacturing	135,315	695	310	150	40	5

- Notice the broader workforce footprint within the aerospace sector vs. manufacturing generally. The five largest manufacturing companies in the UK are also the largest aerospace companies. The breadth of the workforce footprint in aerospace is more balanced, providing greater stability in times of crisis.

Regional distribution of jobs and workplaces

- The chart provides employment numbers per UK region for the manufacture aerospace companies².

UK aerospace jobs, by country and region



- The regional distribution of aerospace workplaces is shown in the table below.

No. of workplaces by UK region 2019

	North East	North West	Yorks & Humber	East Midlands	West Midlands	East	London	South East	South West	Wales	Scotland	Northern Ireland
Manufacture	15	120	40	65	65	120	55	205	145	55	45	50
MRO	30	170	85	100	60	390	70	310	275	195	120	175

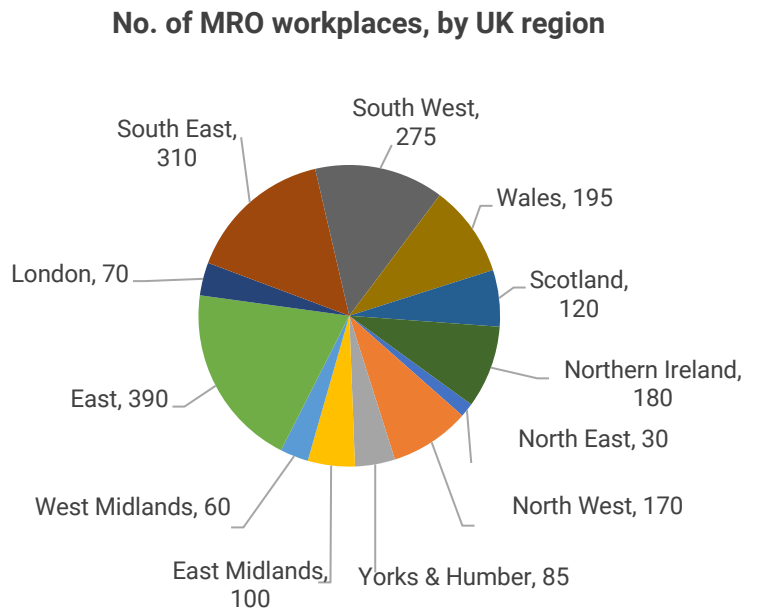
- While the workplaces (or sites) of aerospace manufacturers are concentrated in the north-west, east, south-east and south-west of England, MRO activities are split between a wider number of regions, the most important of which are the south-west, south-east and, in particular, the east of England.

² Data supplied from ADS, except for Northern Ireland.

- Using the number of workplaces (above) for aerospace manufacturing and the number of jobs in this sub-sector, we have calculated the average size of workplaces by their geographical location. Results are shown in the graph below.

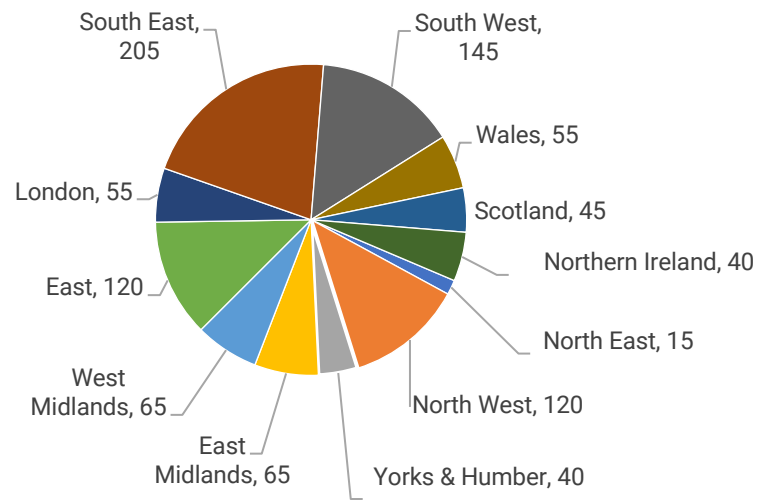


- In terms of precise sizes of workplaces, the results cannot be wholly relied upon. However, they can provide a proxy for the geographical location of particularly large aerospace manufacturing workplaces.



- For example, the average number of workers employed at aerospace manufacturing sites in the East Midlands is far larger than those elsewhere. This suggests that there are large concentrations of manufacture employees in this region, which in this case is represented by the workforce at Rolls Royce.

No. of aerospace manufacture workplaces by UK region



- The geographical distribution and relative density of UK aerospace workplaces is shown by the charts above and below. As to be expected, the geographical distribution of workplaces follows the same pattern of aerospace companies themselves.
- It is useful to understand the number of workplaces within the aerospace sector overall, in order to assist in the mapping of the sector for organising and campaign purposes.

Turnover

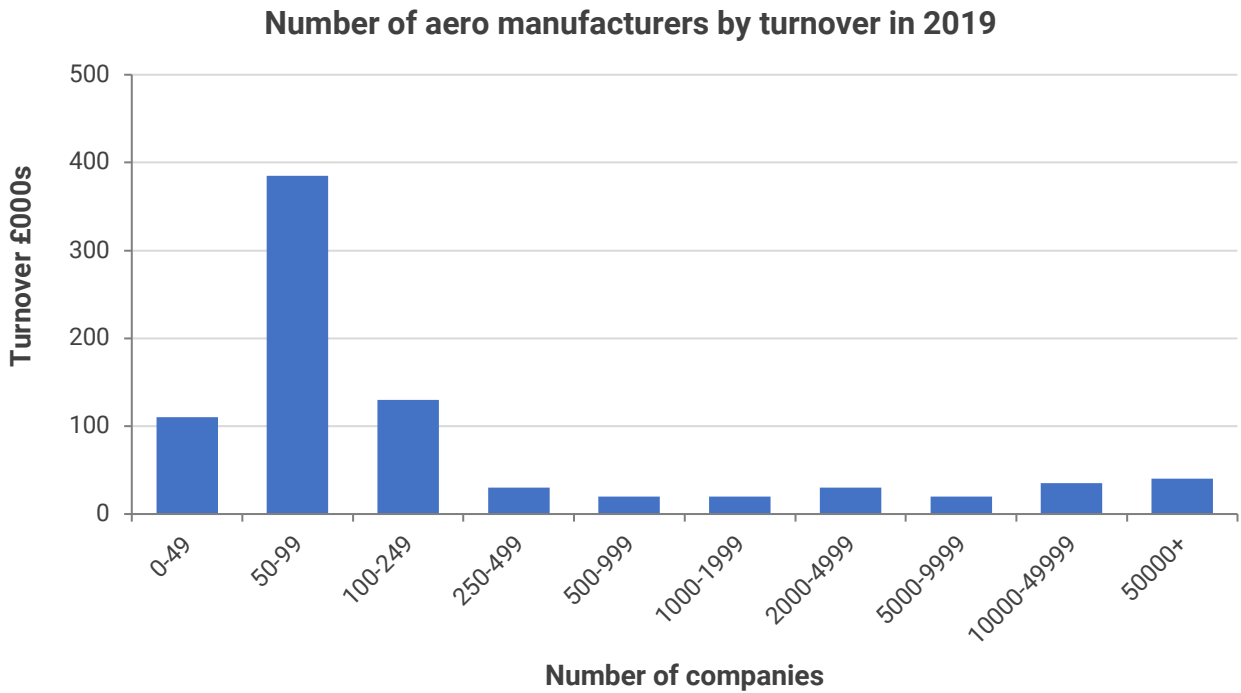
- The number of aerospace manufacturing and MRO companies is shown in the table below, along with specified ranges of annual turnover.

No. of companies by turnover band (£000s)

	0-49	50-99	100-249	250-499	500-999	1000-1999	2000-4999	5000-9999	10000-49999	50000+	Total
Manufacturing	110	385	130	30	20	20	30	20	35	40	820
MRO	390	1,105	170	40	25	20	20	20	30	15	1,835

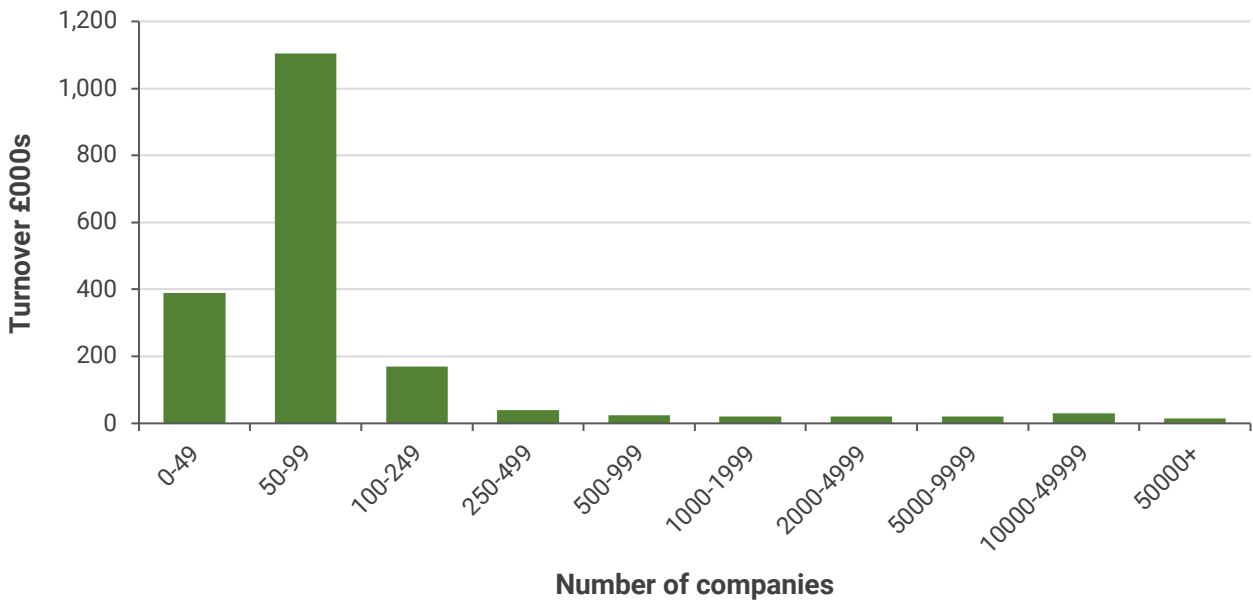
- Nearly 10 per cent of aerospace manufacturers have an annual turnover of more than £10 million, compared to just 5.4 per cent of MRO companies.

- The annual turnover of the majority of aerospace manufacturers and MRO companies is less than £250,000. The figures for both sub-sectors follow a similar trajectory and have a significant number of companies with relatively low turnover, as would be expected throughout a manufacturing supply-chain. As the turnover of companies increase, so the number of companies decreases.



- The graphs below provide a clearer visualisation of the similarity in turnover among both sub-sectors.

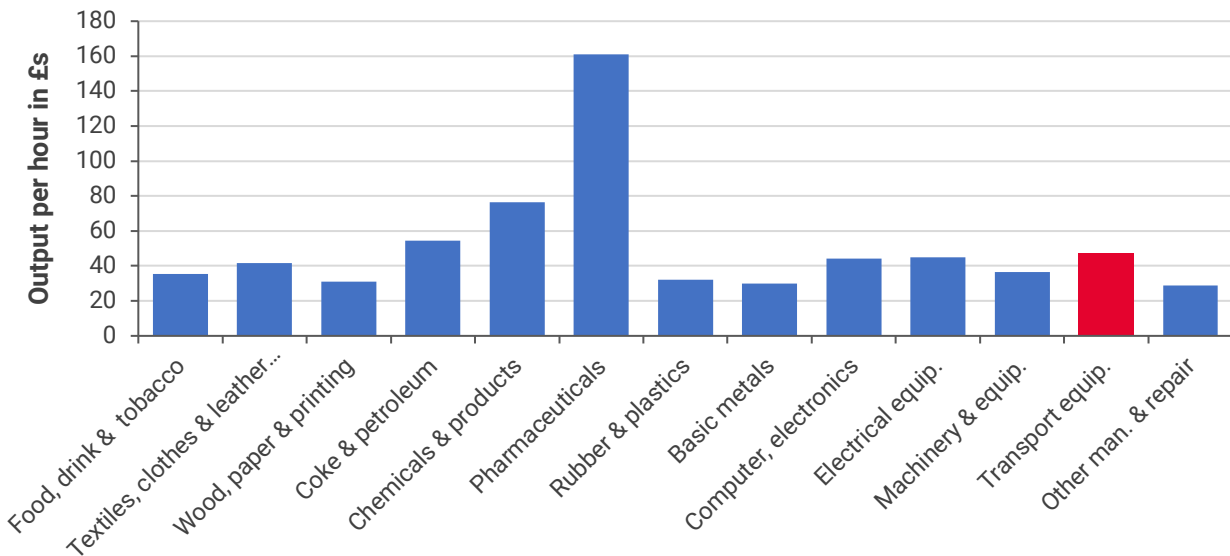
Number of MROs by turnover in 2019



Output and Gross Value Added

- Aerospace companies produce almost £50 (£47.14) of output for every hour worked. The sector generates the 4th highest level of output from within all of the UK’s manufacturing industries.

Output per hour across manufacturing, UK 2019



- Gross Value Added (GVA) comprises wages, gross operating profit, production taxes and subsidies and is a useful way to calculate the wealth created by economic activities.

- The UK aerospace sector generates over £9 billion in GVA to the UK economy every year. The tables below shows the regional GVA for aero manufacture and MRO and the total of these combined.

Aerospace regional GVA (£millions)

North West	£1,702	South East	£772
Wales	£1,473	West Midlands	£756
South West	£1,312	Scotland	£331
East Midlands	£1,044	Yorkshire and The Humber	£179
East	£863	London	£53
Northern Ireland ³	£800	North East	£45

- Aerospace GVA can be broken down into manufacture and MRO in the tables below⁴.

Aero manufacture regional GVA

	GVA £millions
North West	£1,646.54
South West	£1,170.57
Wales	£1,069.07
East Midlands	£932.99
East	£741.30
West Midlands	£715.60
South East	£561.22
Yorkshire and The Humber	£159.86
Scotland	£133.58
North East	£32.17
London	£25.15

MRO regional GVA

	GVA £millions
Wales	£403.72
South East	£211.21
Scotland	£197.75
South West	£141.85
East	£122.11
East Midlands	£110.83
North West	£55.79
West Midlands	£40.46
London	£28.18
Yorkshire & The Humber	£19.32
North East	£12.62

- Figures for estimated GVA within the aerospace manufacturing and MRO sub-sectors have been calculated by using employment data for both sub-sectors as a fraction of regional GVA for the 'manufacture of other transport equipment' and 'repair and installation of machinery and equipment' sectors overall.

³ GVA figure for Northern Ireland is based on data for 2015.

⁴ Due to data limitations it is not possible to provide a breakdown for Northern Ireland.

Location Quotients

- Location quotients can be interpreted as a local measure of geographical concentration of industries. They are calculated as the quotient between the local share of employee jobs in a specific industry and the local share of national employee jobs. A value greater than 1 means that a region has a higher share of employee jobs in an industry than its share of national employee jobs.
- Location quotients can also be interpreted as a local measure of industrial specialisation for local areas. They compare for each industry, the industry's share of local area employee jobs with its share of total employee jobs. A value of 1 means that an industry's share of employee jobs in a region is the same as its share of national employee jobs in Great Britain. A value greater than 1 means that industry makes up a larger share of employee jobs in the local area than at the national level.
- Below are the LQs for companies engaged in the 'manufacture of other transport equipment'. The data in the table reveal that from all of the clusters and other concentrations of companies within this sector, Lancashire has the greatest concentration and specialism.

Location Quotients for the manufacture of other transport equipment		
North West	Lancashire	4.8
South West	Devon	4.57
East Midlands	Derbyshire and Nottinghamshire	3.63
South West	Dorset and Somerset	3.28
Wales	East Wales	3.25
South West	Gloucestershire, Wiltshire and Bath/Bristol area	2.63
South East	Hampshire and Isle of Wight	1.93
East of England	Bedfordshire and Hertfordshire	1.27
Scotland	South Western Scotland	1.12
Wales	West Wales and The Valleys	1.01

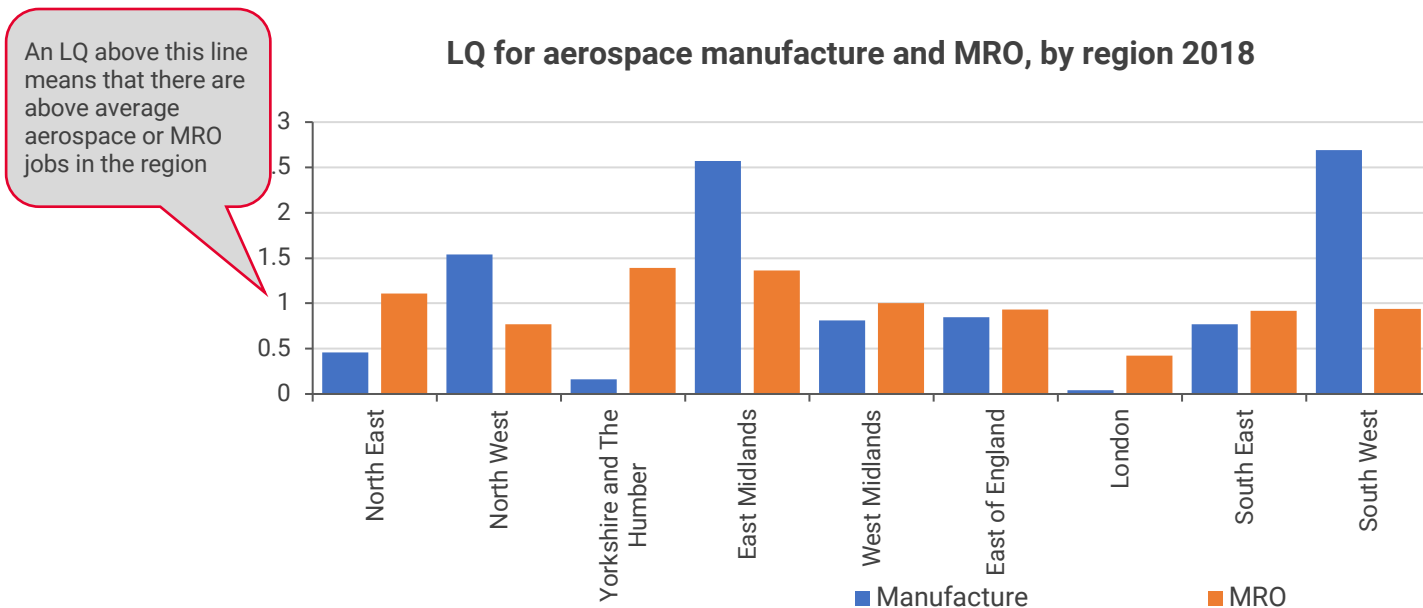
- The area of Lancashire therefore has a significant higher concentration of these companies than any other region in the UK, followed by Devon, Derbyshire and Nottinghamshire, and so on. It is not possible to provide up to date LQs for UK regions for the aerospace manufacture or MRO sub-sectors.
- It is possible to calculate the LQs for the aerospace sub-sectors as they were in 2015 and these are provided in the table below.

Location Quotients for aerospace employment by English region

	North East	North West	East Mids	West Mids	South East	South West	Yorks & Humber	East England	London
Manufacture	0.46	1.54	2.57	0.81	0.77	2.69	0.16	0.85	0.04
MRO	1.11	0.77	1.36	1	0.92	0.94	1.39	0.93	0.42

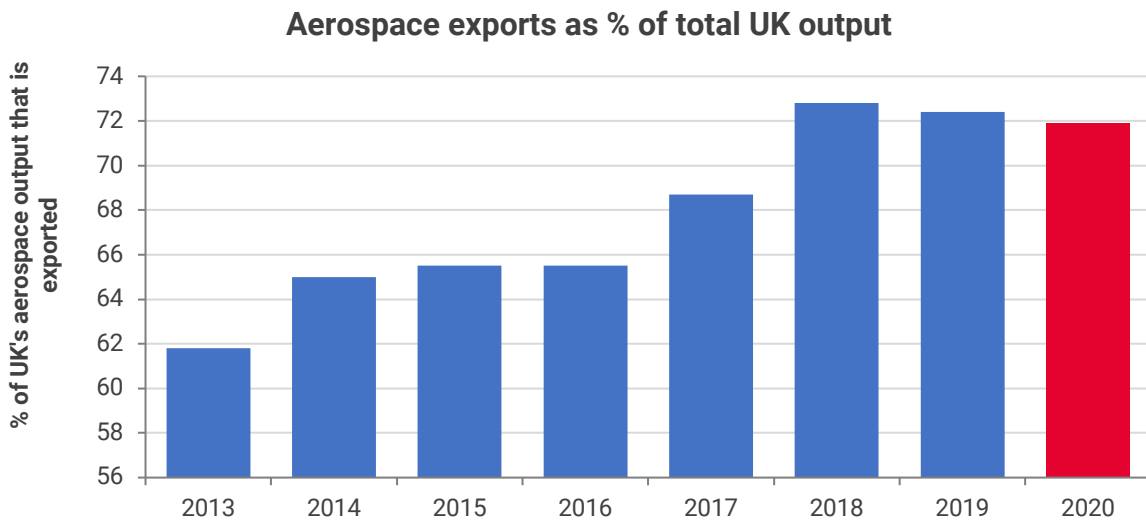
- The data suggest that the East Midlands and South West of England have the greatest concentration, and therefore specialism, of aerospace manufacturing companies. The data also reveal that Yorkshire and Humber and East Midlands are the regions with the highest concentration, and therefore specialism, for aerospace MRO across the whole of the UK. The graph below illustrates the LQ calculation and the results.

LQ for aerospace manufacture and MRO, by region 2018



Exports are vital to rebalance our economy

- The UK has a significant trade deficit which undermines the country's overall economic performance. Our aerospace sector reduces the deficit by £34 billion each year. Exports are a valuable aspect of the economy and are not adversely affected by the current weakness of sterling or the UK economy.

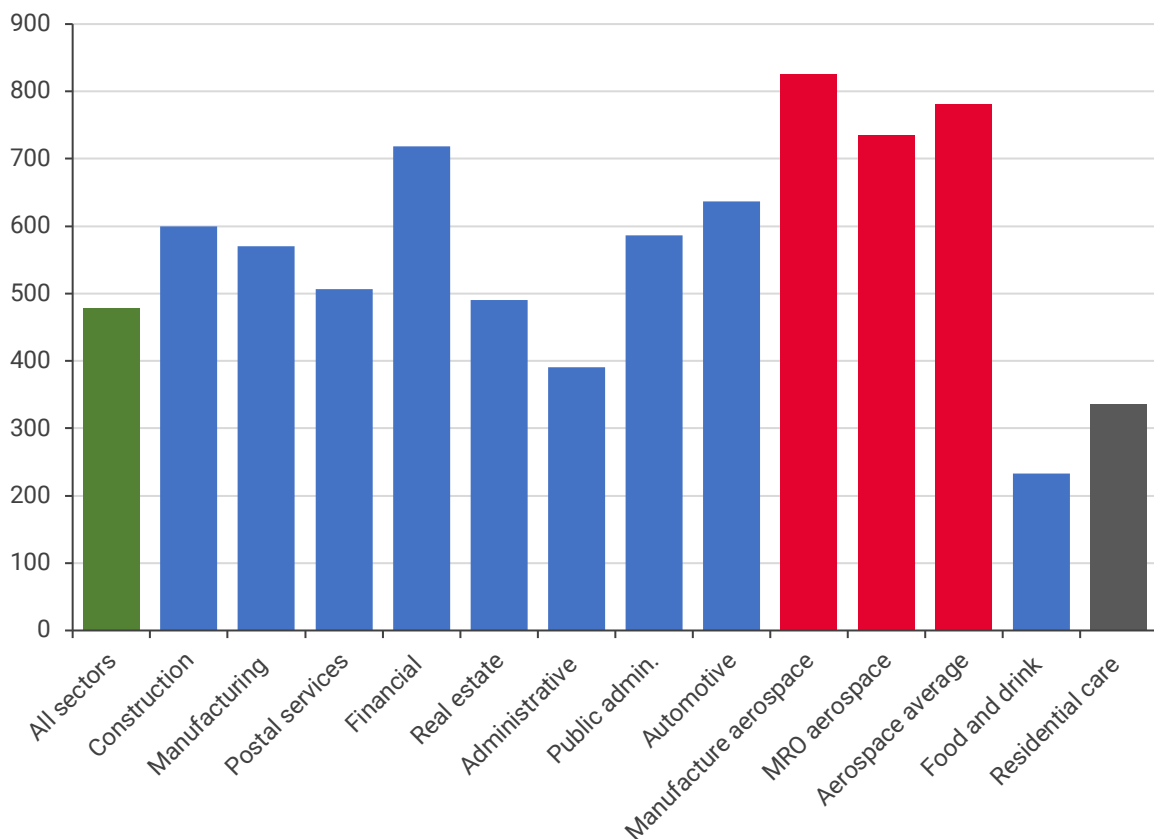


- Aircraft represented 3.9 per cent of the UK's total exports in 2019, at a value of £14.4 billion. Aerospace is key for reducing the UK's trade deficit. As the graph below shows, the proportion of the UK aerospace sector output that is exported is significant.
- Aircraft related goods accounted for 1.7 per cent of the UK's total imports in 2019, worth £8.3 billion.

Wages

- Using the median average, workers in the sector earn significantly more than those elsewhere and almost double the UK average.
- Aerospace sector employees earned an average of £780.80 in 2019 – the equivalent of the average weekly wage plus almost the entire weekly earnings of a residential care worker.

Average weekly gross pay across selected sectors and industries, UK 2019



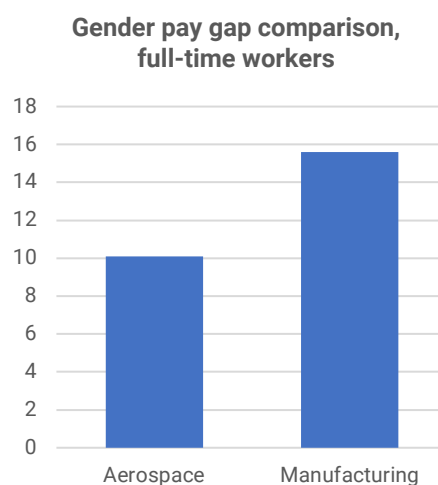
- In terms of output, the aerospace sector workforce generates almost £50 for every hour worked, one of the highest levels to be found across the UK's manufacturing industry. As a result, wage levels in the sector are far higher than those elsewhere, meaning that aerospace workers are able to contribute significant levels of household spending throughout the rest of UK economy.

Household spending

- Total wages paid out by the MRO sector in 2018 was £922 million and the figure for the aerospace manufacture sub-sector was £3.9 billion. This significant volume of cash is injected into national and local economies through household spending.

Gender pay gap

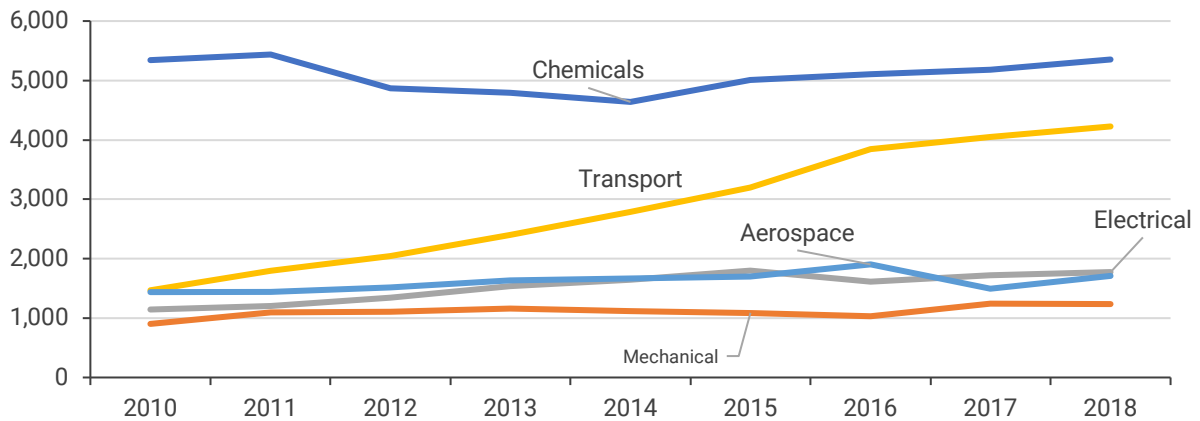
- On average, female workers working full-time in the sector are paid 10.1 per cent less than their male counterparts. (median).
- The gender pay gap among full-time workers across manufacturing generally is 15.6 per cent (median)



R&D spending

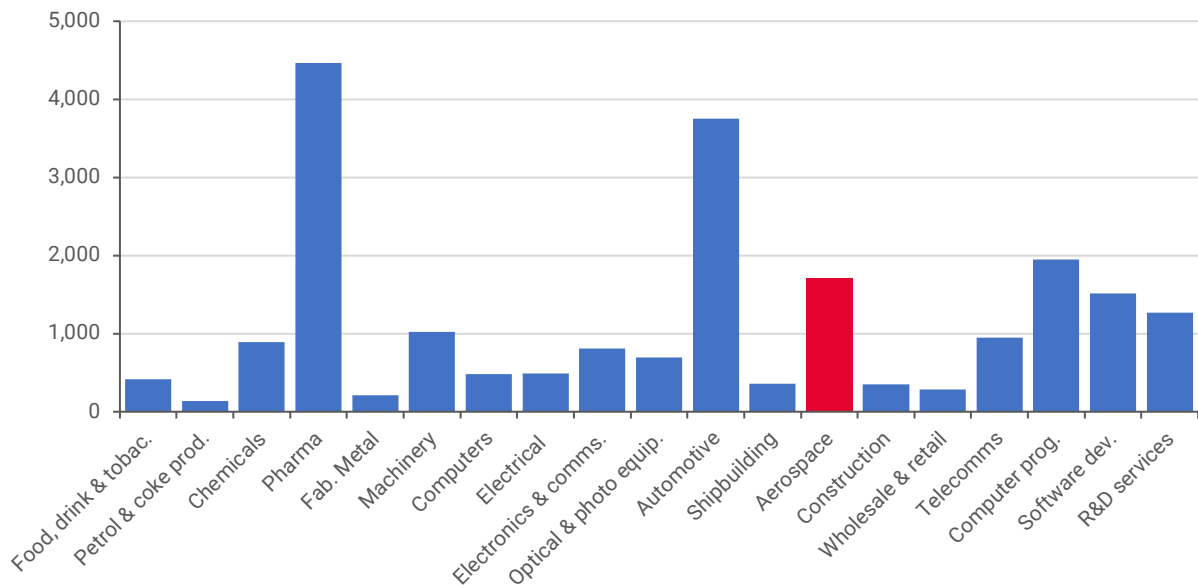
- Prior to a drop in R&D expenditure in 2017, R&D by aerospace companies in the UK had been increasing year on year. Spending has picked up since, as shown in the table below

R&D spending by manufacturing sector (£m), UK



- R&D expenditure by UK aerospace companies is substantial, as the graph below shows. Although aerospace R&D spending is surpassed to a significant extent by chemicals and transport companies, R&D spend within aerospace remains in the region of £1.7 billion a year.

Expenditure on R&D performed in UK businesses, 2018

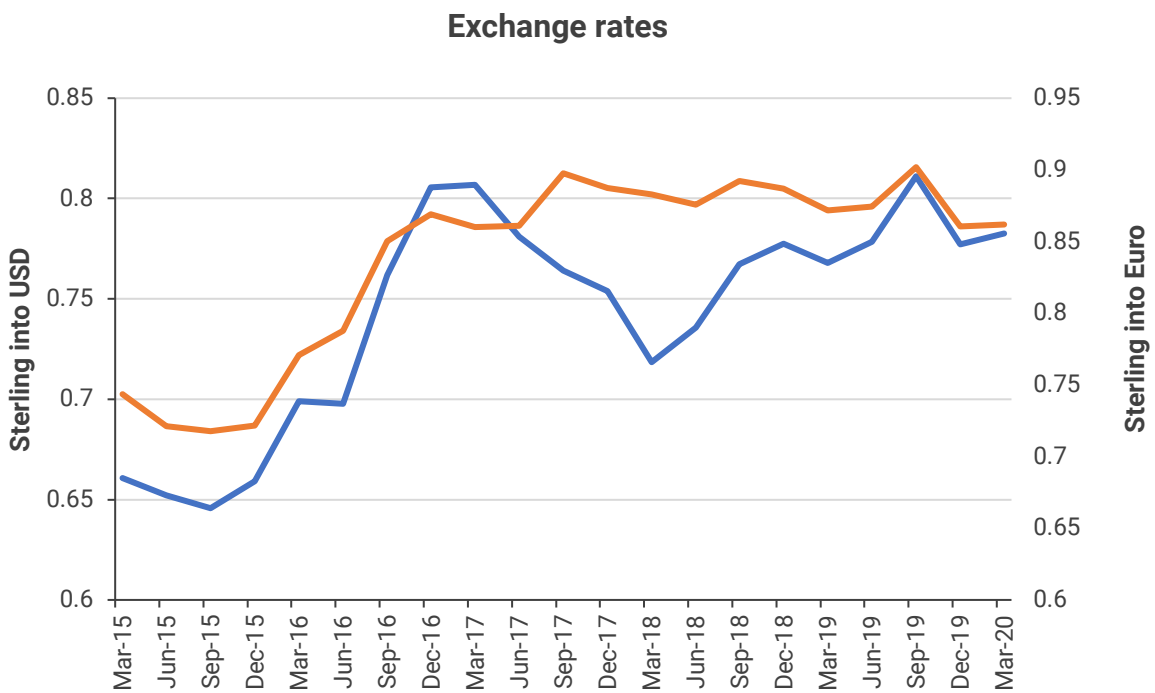


- This significant investment on R&D undertaken in the UK, provides significant knock-on effects across other sectors of the economy.

R&D expenditure by UK aerospace companies (£m)										% of UK total
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2018
Aerospace	1,437	1,438	1,511	1,639	1,666	1,699	1,904	1,499	1,709	6.8

Currency exchange rates

- While the pound is weaker, exports appear less expensive and so demand likely to increase. As aerospace relies so heavily on exports this can only be good for the sector and for the UK economy.



Wider economic impact

- It is possible to calculate the direct and indirect impact of changes in the demand for goods or services, in terms of employment within the sector or within the wider economy. Using the most recent available data, the table below provides the multipliers for calculating the impact of changes in demand for both direct and indirect employment within the UK aerospace sector.

	Multipliers			Effects	
	Output	Employment	GVA	Employment	GVA
Manufacture	1.663	1.819	2.107	0.432	0.545
MRO	1.871	1.968	2.030	0.498	0.724

- Multipliers and Effects:** Multipliers provide a good estimate of the impact of a change in demand for the specific sector. The Employment or GVA effect can be used to calculate the impact of a change in demand in one sector, on the employment of Gross Value Added in the rest of the economy.
- Output multipliers:** These figures show that for every additional £1m in demand for aerospace manufacture or MRO services, £1.663m and £1.871m of added-value is produced for the sectors respectively.
- Employment multipliers:** These can be used to demonstrate that for every additional £1m in demand for aerospace manufacture or MRO services, an additional 1.8 jobs in aerospace manufacture will be created or almost an additional 2 jobs in MRO.
- Conversely, if demand dropped by the same amount, a reduction of identical value would result. The same calculation can be made with the other figures in the table.

Modelling scenarios

- We have used multipliers, provided by the ONS through the National Accounts, to provide a general overview of the impact of significant job losses within the aerospace sector, and the knock-on effects to the supply chain and the wider economy.
- If demand changed (negatively) so that the wages generated decreased by £10 million, the total decrease of compensation of employees across the economy would be £20.43 million. I.e. if wages decrease by £10 million the total impact on the economy would be a decrease in national wages by £20.43 million. If a major employer, for example Bae Systems, Airbus or Rolls Royce, reduced the size of its workforce in response to a drop in demand, the consequences would ripple through the entire UK economy.
- As an example, we shall consider the impact on jobs and the economy of a reduction in the UK's aerospace workforce of 10,000 jobs. As a consequence of the sector's broader economic footprint, a loss of 10,000 jobs in the UK's aerospace sector would result in drop in economic output of £4.3 billion. If the reduction in employment was limited to 5,000 jobs, the consequence would be a drop in economic output of more than £2 billion.

Alternative employment

- In order to model this potential outcome, an assumption must be made about the wage level for jobs elsewhere. We have assumed the national average (median) wage, which is £479.10 for all sectors.
- Assuming a worker is able to find employment elsewhere immediately and there is no break in income, they would be £347.20 a week worse off before deductions. This is before the incentive payments, overtime or annual bonuses, some of which are a feature of the salary structures within the aerospace sector, are taken into account.

- Below we have calculated the potential earnings for the same scenario in those regions of high aerospace employment.

Difference between aerospace average annual salary and those elsewhere

	Gross wages	
	Annual	Difference
Derby and surrounding area	£ 26,625	£ 16,342
Bristol and surrounding area	£ 28,606	£ 14,361
Lancashire	£ 26,911	£ 16,056
Average aerospace	£ 42,967	

Examples of the economic impact on jobs in the aerospace sectors

- We have calculated the potential economic impact of large scale job losses at BAE Systems and Rolls Royce. We have used the national average aerospace wage of £41,000 and our calculations assume that the multipliers used to measure the impact of job creation can be reversed to provide the negative impact of job destruction.

BAE Systems

- If 5,000 jobs were eliminated from its UK workforce then the company's output would drop by 10.3 per cent, or £2.15 billion per year.
- The impact on the UK's wider economy would be huge and UK national output would decrease by £2.15 billion.
- If all else remained equal then a reduction of 5,000 workers at BAE Systems would remove £48.6 million worth of annual household spending from the economy.

Rolls Royce

- If 5,000 jobs were eliminated from its UK workforce then the company's output would drop by 13 per cent, or £2.2 billion per year. UK national output would drop by £2.1 billion.

- If all else remained equal we estimate that the impact of 5,000 job losses at Rolls Royce would remove £48.6 million a year from the economy, due to the resulting decrease in household spending.

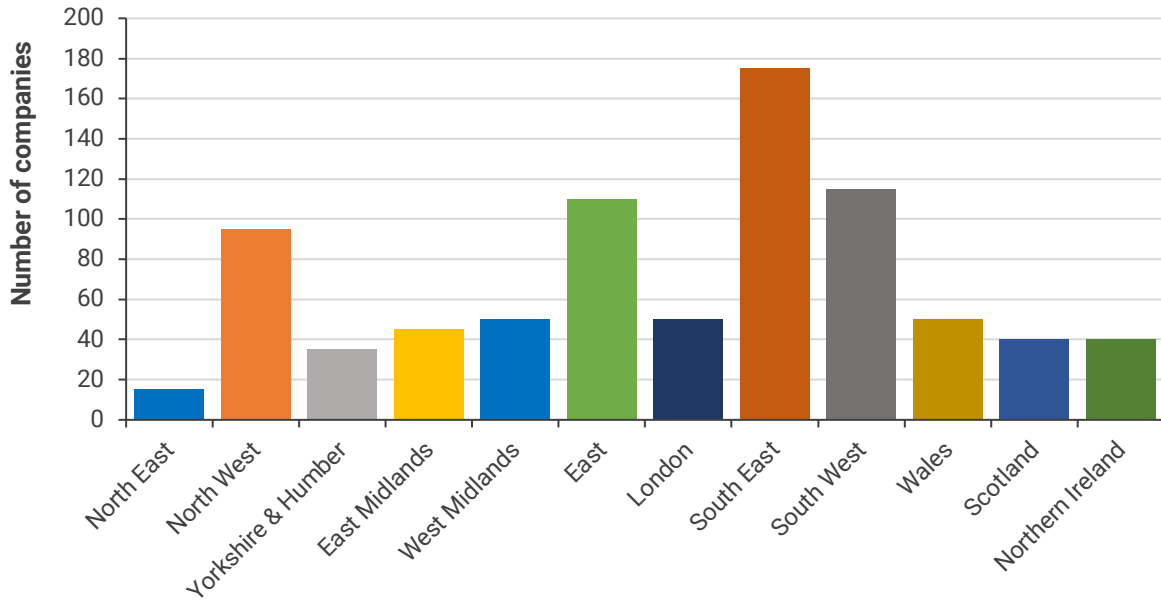
Additional information

- Boeing spent an estimated £2.1 billion with UK suppliers in 2016⁵.
- Airbus in the UK spent over £4 billion in 2017 in the supply chain.
- The impact of reduced output and subsequent impact on jobs and communities would be significant.

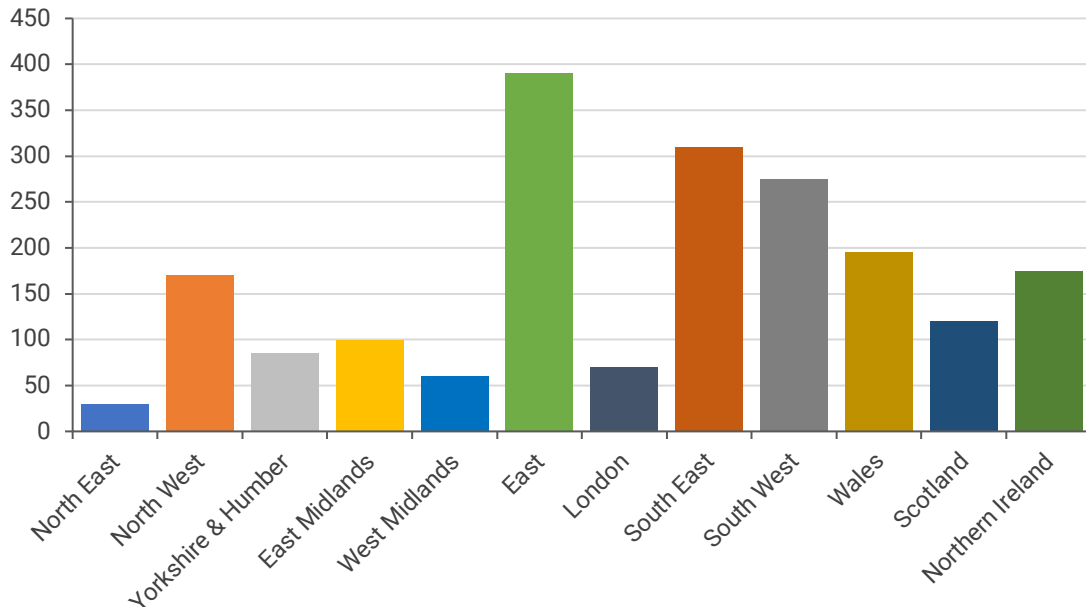
⁵ House of Commons research paper, "The aerospace industry: statistics and policy", 2017

Appendix A – regional distribution of companies

Regional distribution of aerospace manufacturers, UK 2019



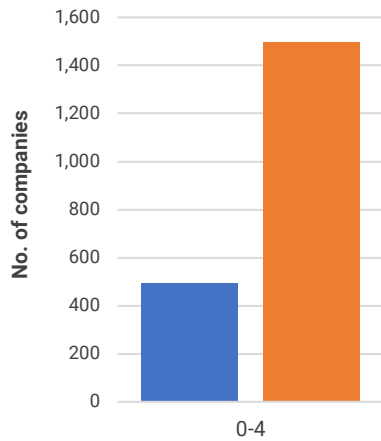
Regional distribution of MRO companies in the UK in 2019



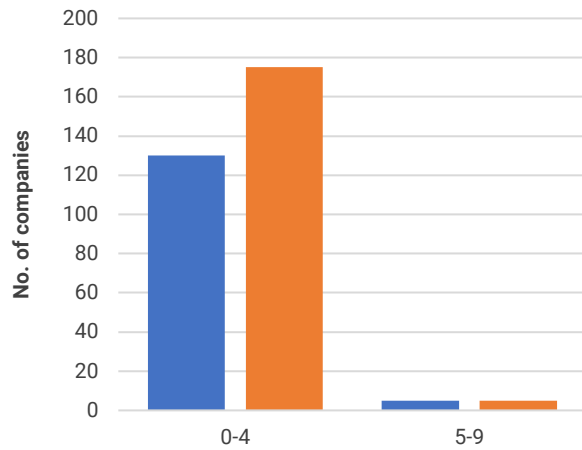
Appendix B – turnover and workforce size in the aerospace sector

■ Manufacture ■ MRO

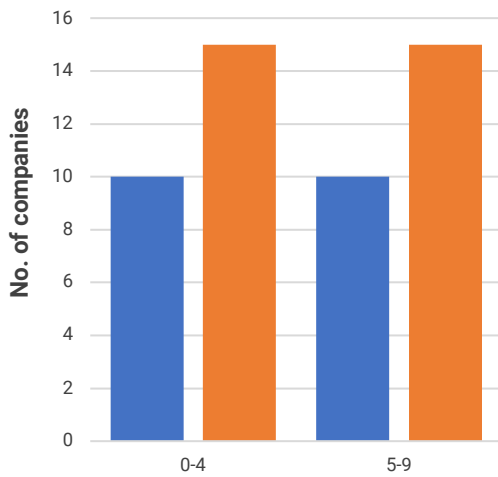
Turnover £0-99K and no. of employees



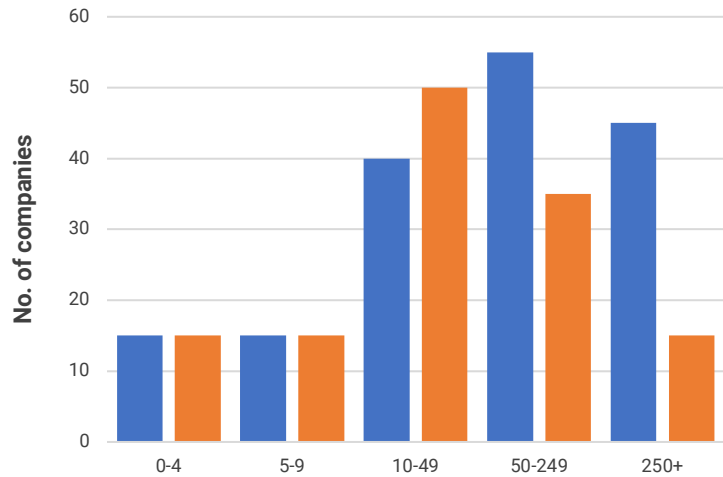
Turnover £100K-299K and no. of employees



Turnover £300k-499k and no. of employees



Turnover £500k + and no. of employees





An Acuity Analysis for Unite the union

Researched and written by David Tarren and Jake Kearney

SURVIVE REBUILD RECOVER

Unite is calling for the UK government to partner with the aerospace industry on a programme for the sector to SURVIVE, REBUILD and RECOVER.

SURVIVE

- **A bold UK government intervention and strategy to support the sector** similar in scope and ambition to that unveiled by the French and Germany governments. This strategy should be driven by a national taskforce that includes Unite and other key stakeholders with an aim to maintain the UK's leading global position.
- **Adaptation and continuation of the government's job retention scheme (JRS)** including a shorter working week scheme, such as the one in Germany which has helped, for example keep Rolls-Royce jobs losses to 5% while in the UK 25% of jobs are being lost.
- **Government support must come with water-tight conditions** including keeping jobs and manufacturing in the UK on projects such as the Rolls-Royce Small Modular Reactor (SMR) and Airbus's 'Wings of Tomorrow' programme.

REBUILD

- **A government-supported aircraft replacement scheme** to help the aviation sector dramatically reduce its carbon footprint. New aircraft on average use 25% less fuel, emit 25% less CO2 and produce 50% less noise. Production and parts must come from the UK.
- **Investment in UK defence programmes.** The UK government must give a long-term commitment to the future fighter Tempest programme and to its own version of the European Union's Galileo global navigation satellite system (GNSS). This is about national sovereignty and national security, defending not just the economy but the nation too.

- **Diversification** through ground-breaking new UK technologies. For example, Rolls-Royce's Small Modular Reactor (SMR), which requires £500 million Risk and Reward funding to bring it to market but has the potential to exploit a multi-billion-pound global market and contribute to reducing greenhouse emissions around the world.
- **Research and Development** needs to be increased and the current 50/50 ratio between government and companies changed to 80/20 to bring us in line with those of France and Germany. This will enable bringing new green technologies quickly to market and being made in the UK including electrification, composites, and sustainable aviation fuels.

RECOVER

- **Continued support for aerospace apprenticeships** to close the growing skills gap across an ageing workforce. We also need flexibility with the government apprenticeship levy so, for example, companies can draw on their funds to support apprentices in their UK supply chain. Again, UK government support must come with conditions to aerospace companies to maintain and continue with apprenticeships.
- **Taking the right path.** We are at cross-roads for the UK aerospace industry. If we do not quickly see large-scale government intervention and a strategy, we will severely damage the long-term health and resilience of major companies and SMEs in the sector, losing our leading global position while competitors who have intervened with an overall supportive strategy move ahead.



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AN ACUITY ANALYSIS FOR UNITE THE UNION

