

25. Production and value-added

A few countries dominate the global aerospace production in 2010, with major industry players being involved in both aeronautics and space systems (Table 25.2). The United States and European countries remain the prominent aerospace markets, with sales in the United States representing some USD 214 billion for 2009, followed by Europe, Canada and Japan. However, China, India, Mexico and Brazil are emerging as important customers of aerospace products. The aerospace sector is one of the fastest globalising industries in terms of both market structure and production system. In addition to satellite systems, new aeronautic markets are developing based on the growth in air traffic worldwide (expected to continue rising 4.9% on an annual basis over the next 10 years), and increases in military aerospace expenditures. Despite its strategic nature, aerospace represents a small percentage of the total manufacturing value added in G7 countries (Figure 25.4). The percentage for all G7 countries remains below 4% of the total in 2008 (Figure 25.3).

Methodological notes

Production represents the value of goods and/or services produced in a year, whether sold or stocked, while value added for an industry refers to its contribution to national Gross Domestic Product (GDP). It is often considered a better measure of output than basic production since it reduces the likelihood of double counting that is possible with the production approach. The data come from OECD's Structural Analysis Statistics (STAN) database, which includes statistics for most OECD countries. To make the values comparable, Purchasing Power Parities were used to convert current production values into USD. Some care should be taken with the interpretation of Production since it includes intermediate inputs (such as energy, materials and services required to produce final output). Other data presented here come from private sources (aerospace industry associations) to illustrate recent trends nationally and regionally. As such, and due to industry associations' distinct methods in data definition, collection and analysis, as well as reporting in national currencies, international comparability is very limited.

Sources

DeCarlo (2010), *Forbes' 2000 Ranking*, www.forbes.com.
OECD (2010), "OECD Structural Analysis Statistics", STAN Industry Database, www.oecd.org/sti/stan.

Further reading

AeroSpace and Defence Industries Association (ASD), www.asd-europe.org.
Aerospace Industries Association of America (AIA), www.aia-aerospace.org.
Aerospace Industries Association of Canada (AIAC), www.aiac.ca.
French Aerospace Industries Association (GIFAS), www.gifas.asso.fr.
German Aerospace Industries Association (BDLI), www.bdl.de.
Japanese Aerospace Industries Association (SJAC), www.sjac.or.jp.
United Kingdom Aerospace, Defence and Security Group, www.adsgroup.org.uk.

25.1 Aerospace production as a share of national manufacturing production, 2008 or latest year

Percentage of gross output, current price

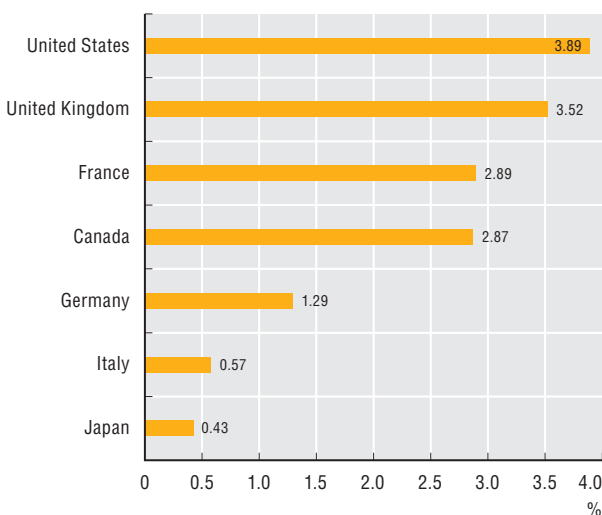


StatLink <http://dx.doi.org/10.1787/888932400475>

25.2 Aerospace and defense leading companies in 2010, in Forbe's ranking

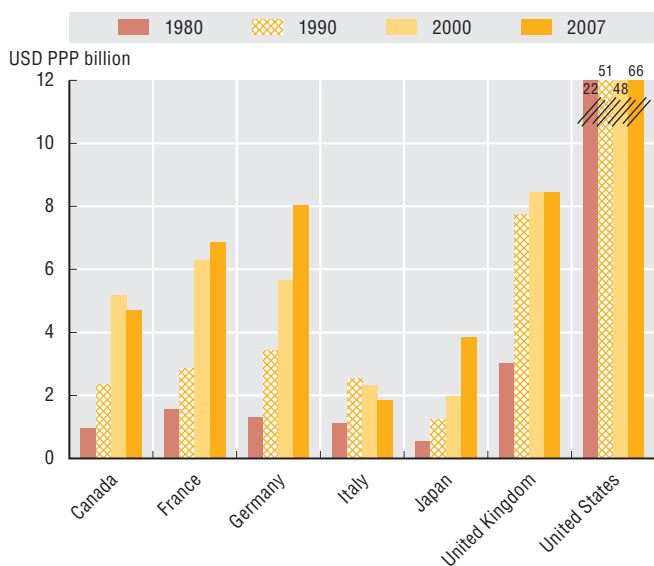
Company		Sales (USD billion)	Profits (USD billion)	Assets (USD billion)	Market value (USD billion)	Space activities
Boeing	United States	68.28	1.31	62.05	48.45	Yes
EADS	Netherlands	61.44	-1.09	111.40	16.75	Yes
Lockheed Martin	United States	45.19	3.02	35.11	29.61	Yes
Northrop Grumman	United States	33.76	1.69	30.25	19.08	Yes
BAE Systems ⁵	United Kingdom	32.91	-0.11	38.58	19.99	Yes
General Dynamics	United States	31.98	2.39	31.08	28.51	Yes
Raytheon	United States	24.88	1.94	23.61	21.53	Yes
Finmeccanica	Italy	20.94	0.80	40.69	7.49	Yes
Bombardier	Canada	19.44	0.81	22.12	9.68	No
Thales	France	17.96	-0.28	25.81	7.67	Yes
Rolls-Royce Group	United Kingdom	16.82	3.59	24.32	15.57	Yes
L-3 Communications	United States	15.62	0.90	14.81	10.62	Yes
Safran	France	14.72	0.89	26.04	9.32	Yes
SAIC	United States	10.68	0.49	5.41	7.72	Yes
Goodrich	United States	6.69	0.60	8.74	8.42	Yes
Precision Castparts	United States	5.65	0.94	7.46	16.46	No
Dassault Aviation	France	5.22	0.52	13.54	7.40	Yes
Embraer	Brazil	5.12	0.19	9.04	3.96	No
Rockwell Collins	United States	4.44	0.56	4.65	9.18	Yes
Singapore Technologies	Singapore	3.95	0.32	4.81	6.68	Yes
Cobham	United Kingdom	3.04	0.30	3.91	4.22	No

25.3 Aerospace value added as a share of the national manufacturing value added for G7 countries, 2008 or latest year



StatLink <http://dx.doi.org/10.1787/888932400513>

25.4 Value added by the aerospace industry for G7 countries, 2007 or latest year



StatLink <http://dx.doi.org/10.1787/888932400494>



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