AEROSPACE AND DEFENSE

INTRODUCTION

The aerospace & defense market is deemed to be the revenues accrued by aerospace and defense equipment manufacturers from civil or military aerospace and defense procurements. Such procurements will only include equipment and parts or products. The defense segment also includes defense electronics, and the aerospace segment includes space equipment.

The global figure comprises the Americas, Asia-Pacific and Europe. Europe comprises Belgium, the Czech Republic, Denmark, France, Germany, Hungary, Italy, Netherlands, Norway, Poland, Russia, Spain, Sweden and the UK. Asia-Pacific comprises Australia, China, Japan, India, Singapore, South Korea and Taiwan.

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Key Facts:

Market Value
The global aerospace and defense market grew by 9.8% in 2008 to reach a value of $674.6 billion.

Market Value Forecast
In 2013, the global aerospace and defense market is forecast to have a value of $910 billion, an increase of 34.9% since 2008.

Market Segmentation I
The defense EPM segment generates 69.5% of the global aerospace & defense market's value.

Market Segmentation II
The Americas aerospace & defense market accounts for 51.9% of the market's value.

Market Share
The Boeing Company is the leading company in market with 10.3% of the market's value.
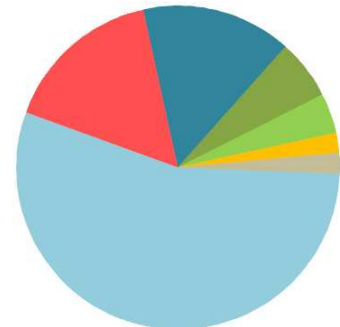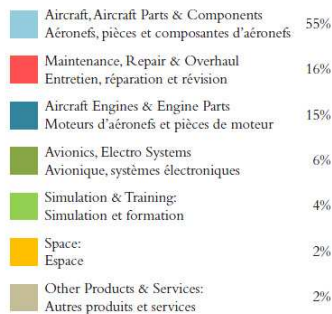
HISTORY

- The field of aerospace has been investigated for millennia, but modern aerospace began with the first powered flight at Kitty Hawk, North Carolina on December 17, 1903, by the Wright brothers. From there, aerospace has grown to be one of the most exciting, diverse, and fast paced fields of today. From the hot-air balloons of 18th century to the first wood-and-cloth plane of Wilbur and Orville Wright to the first manned mission to the moon on Apollo 11 to the new and exciting aircraft being developed by companies like Boeing, Airbus, and Bombardier.

SUB SECTIONS OF THE INDUSTRY

1.	Aircraft Manufacturers (OEM) like Airbus, Boeing etc.

2.	Aircraft parts/components suppliers

3.	Space Programs (spaceships and satellites)

4.	Defense Programs

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Aircraft, Aircraft Parts & Components Aéronefs, pièces et composantes d'aéronefs	55%
Maintenance, Repair & Overhaul Entretien, réparation et révision	16%
Aircraft Engines & Engine Parts Moteurs d'aéronefs et pièces de moteur	15%
Avionics, Electro Systems Avionique, systèmes électroniques	6%
Simulation & Training: Simulation et formation	4%
Space: Espace	2%
Other Products & Services: Autres produits et services	2%

INDUSTRY OPERATIONS

- The defense EPM segment generates 69.5% of the global aerospace & defense market's value.
- Aerospace (civil) segment accounts for the remaining 30.5% of the market's revenue.

Aerospace (civil) 30.5%

Defense EPM 69.5%
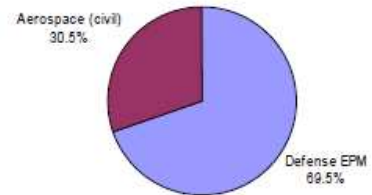
PAST PERFORMANCE

- The compound annual growth rate of the market in the period 2004-2008 was 5.4%.
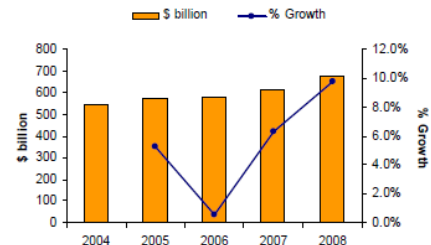
CURRENT PERFORMANCE

- The global aerospace & defense market generated total revenues of $674.6 billion in 2008, representing a compound annual growth rate (CAGR) of 5.4% for the period spanning 2004-2008. In comparison, the European and Asia-Pacific markets grew with CAGRs of 9% and 11.2%, respectively, over the same period, to reach respective values of $184.3 billion and $124.6 billion in 2008.
- The defense EPM segment was the market's most lucrative in 2008, generating total revenues of $469.2 billion, equivalent to 69.5% of the market's overall value. The aerospace (civil) segment contributed revenues of $205.4 billion in 2008, equating to 30.5% of the market's aggregate revenues.

FUTURE PREDICTION

The performance of the market is forecast to accelerate, with an anticipated CAGR of 6.2% for the five-year period 2008-2013, which is expected to drive the market to a value of $910 billion by the end of

2013. Comparatively, the European and Asia- Pacific markets will grow with CAGRs of 5.6% and 10.9%, respectively, over the same period, to reach respective values of $242.3 billion and $208.6 billion in 2013.

CHALLENGES

- Bureaucracy Slows Decision Making for Procurements
- Lack of independent maintenance, repairs & overhaul (MRO) facilities in India

TOP CONTRIBUTORS

- The Boeing Company is the leading company in global aerospace & defense market with 10.3% of the market's value.
- EADS holds further 7.6% of the global aerospace & defense market's share