

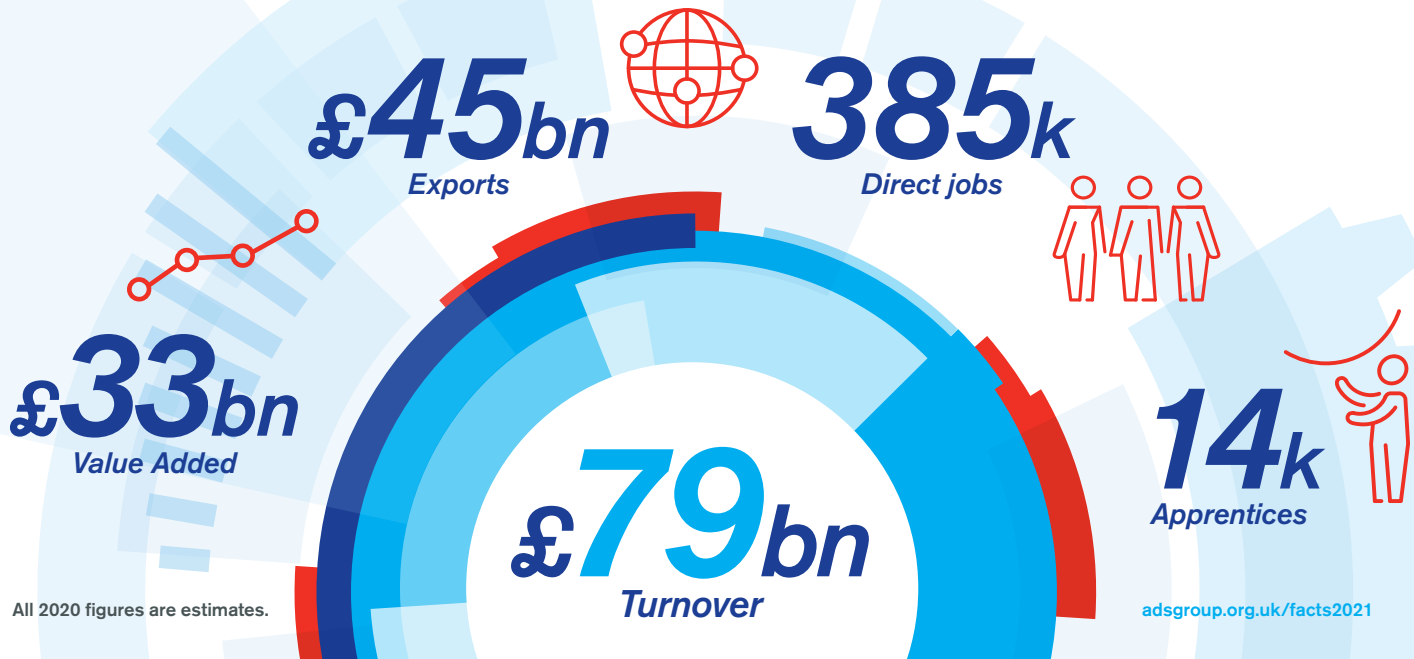
Industry Facts & Figures **2021**

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

Major contribution to UK national and regional prosperity through highly skilled jobs and exports

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 2020 the UK aerospace, defence, security and space sectors' contribution to the UK was:



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

Our 1,100+ members, large
and small, span the length
and breadth of the UK

Government and industry *Ensuring UK growth, investment and recovery*

1

A strong recovery in our industries will support the UK to build back better from the impact of Covid-19 on jobs, investment and industrial capability

2

To meet the UK's net zero ambitions by 2050 our industries are committed to developing and manufacturing advanced green technology

3

Building on the relationship agreed between the UK and EU to deliver global trading arrangements that support high value exports and growth

4

Boosting the diversity of our industries to secure opportunities for all, provide the highest quality pipeline of new talent and invest in apprenticeships

5

Supporting Government to implement the Integrated Review, Defence & Security Industrial Strategy and the Defence Command Paper, creating new opportunities for SMEs

The strength of our sectors

Our 1,100+ members, large and small, span the length and breadth of the UK

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

Number of direct jobs across industry in:




Aerospace

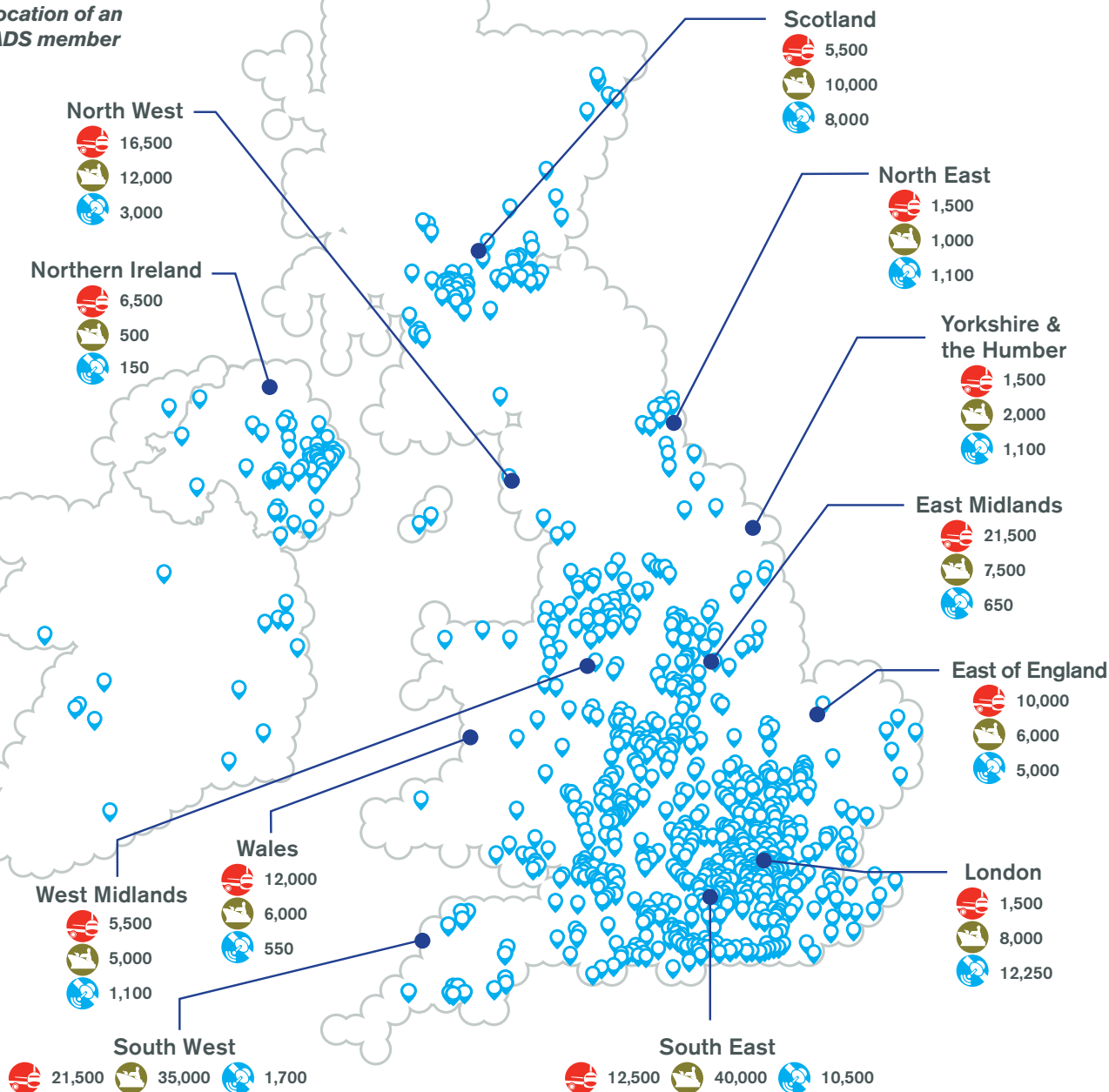


Defence



Space

 Indicates the location of an ADS member



Space regional employment taken from Size and Health of UK Space 2020 by London Economics.
Regional data is not currently available for the security sector, which employs 124,000 people throughout the UK.
Employment data does not include the Republic of Ireland.

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 in Q1 2021 for the full year 2020. This is the latest data and set of estimates available to us at the time of publication.

At the time of publishing in May 2021, the world economy, UK economy and our sectors have been heavily impacted over the previous 15 months by COVID-19.

The impact of the pandemic is ongoing, particularly on manufacturing and travel sectors. The last 12 months has seen the announcement of significant job losses and business restructuring.

ADS publishes regular monthly insights into the economic performance of civil aerospace, and engaged with members through a variety of formats on the current economic conditions they are facing. As with all data sets, the figures used here are subject to revision over time.



UK Aerospace sector

The UK's aerospace sector is developing world-leading aircraft technology, generating highly skilled employment and prosperity in every part of the country.



116k
Direct employees

£24.3bn
Exports



£1.7bn
R&D spend by
UK business

£24.9bn
Turnover



5k
Apprentices

Aerospace Growth Partnership (AGP)

More than 10 years of industry and government working in partnership to make the UK the most attractive aerospace location in the world.

Nearly 350 companies across the UK have benefitted from more than £2.8bn in R&D investment through the Aerospace Technology Institute.

£15m of funding for the FlyZero Programme looking at the design challenges and market opportunity of potential zero-emission aircraft concepts.

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

Delivering new technologies and UK growth

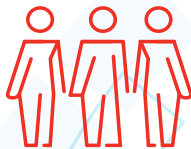
- Average annual earnings of £43,000, 38% higher than the UK average
- 88% of aerospace jobs are located outside of London and the South East
- 97% of aerospace output is for export





UK Defence sector

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



133k
Direct employees

£11bn
Export orders
2019



£1.9bn
R&D spend

£25.3bn
Turnover



5k
Apprentices



Defence Growth Partnership (DGP)

DGP will continue to strategically support the UK defence sector through a joint government and industry approach to developing international Team UK collaboration and partnership opportunities to support export led growth.

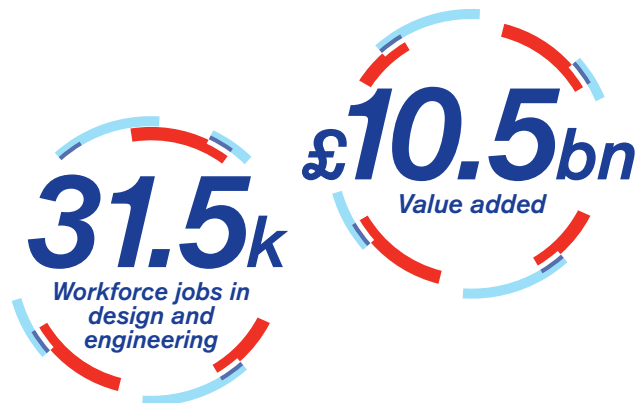
In partnership with MoD and Industry the Joint Economic Data Hub (JEDHub) will reach Full Operating Capability in 2021, providing stronger data and analysis on the economic contribution of the Defence sector to the UK economy.

UK Defence Solutions Centre (UKDSC) will provide strategic planning and development support to the defence sector including delivering high quality market intelligence research to MoD, BEIS, DIT DSE and industry.

Working alongside the MoD to support the delivery of the Integrated Review, Defence Command Paper and the Defence and Security Industrial Strategy by utilising UKDSC unique frameworks that promote cross sector investment.

Delivering prosperity and innovation

- **Average annual earnings of £37,500, 19% higher than the UK average**
- **64% 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 major national challenges, from cyber security to the threat of terrorism and all other aspects of national security.

£18.5bn
Turnover



124k
Direct employees



£10bn
Value added



3k
Apprentices

£7bn
Export orders



Security and Resilience Growth Partnership (SRGP)

Bringing together industry, academia and government for the innovation, promotion, and delivery of UK security capabilities.

Working to break down barriers between government and the private sector to ensure the UK's world-class security industry meets our national security requirements.

Delivering cross-government workstreams in partnership with industry and academia, focused on sector priorities of procurement, innovation, exports and skills.

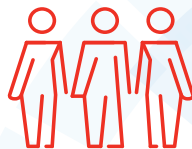
Delivering security at home, abroad and online

- **Average annual earnings of £38,000, 21% higher than the UK average**
- **The cyber security sector added more than £4bn in value to the economy in 2020, attracting £800m of investment**
- **In 2019, the UK was third largest exporter of global security exports**
- **The global security market is expected to reach an annual value of \$167bn by 2025**





The UK space sector is a world leader in the production of small satellites with wide applications to help monitor the world around us. Space launch from the UK is fast becoming a reality with plans on track for a first rocket launch in 2022.



45k
Direct employees



£702m
R&D spend

£16.4bn
Turnover



2k
Apprentices

£5.8bn
Export orders



Image credit: Equinox Graphics.

Space data from the UK Spacey Agency Size and Health of UK Space 2020 Survey by London Economics.

adsgroup.org.uk/facts2021

Space sector priorities and opportunities

The UK's space sector is at the forefront of exploring the universe, connecting people, keeping citizens safe and enabling critical infrastructure.

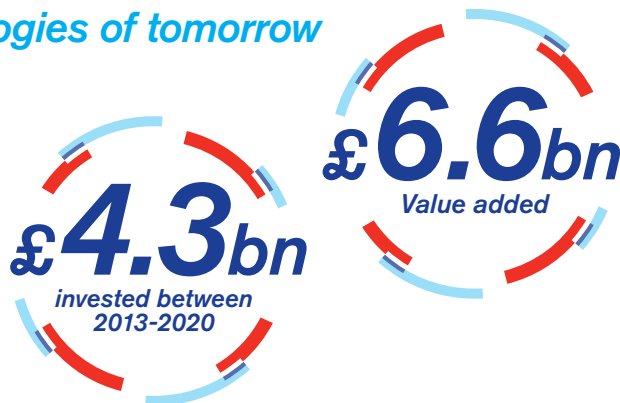
Steps to achieving commercial space flight launch from the UK are now being taken, with proposed horizontal and vertical launch sites from Scotland to Cornwall.

Industry stands ready to work with the UK's National Space Council, which will inform strategic space priorities across government.

Our space sector is a global innovation leader, committed to support delivery of the UK's net zero ambitions by developing sustainable fuels and the next generation of satellites.

Delivering innovation and the technologies of tomorrow

- UK space accounts for 5.1% of the global space economy
- 40% of all small satellites currently in orbit were manufactured in the UK
- All of the UK's regions and nations are home to headquarters of space organisations





Working for our members

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ADS facts and figures are estimates for 2020 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 prosperity generating industries in the UK and overseas, supporting our members and providing vital information to partners in government and the media. Farnborough International Limited, which runs the Farnborough International Airshow, is a wholly owned subsidiary.