



"The aviation industry is an important cornerstone in the UK economy and as a business we are seeing a continually high demand for engineers. The Heathrow airport expansion plans and the £400m fund for aviation research and development show that the UK is continuing to be taken seriously as a hotbed of global aviation."

Steve Howard, Operations Director

Aviation overview & outlook

Spring 2017



Aviation overview



- The aerospace sector employs **128,000** people directly and a further **154,000** indirectly. **59,000** jobs are provided in the South West of England alone, an aerospace hot spot in the UK.
- The UK currently supplies parts for the European aerospace industry but may now find it more difficult following Brexit to be considered for new projects.
- Two key areas of negotiation will be the UK's continued access to the European market and the free movement of labour. Europe is an important market for the UK aerospace industry, both for imports and exports and as a labour market.
- According to ADS Chief Economist, UK exports to Europe were worth around **£27 billion**, of which **30% (£8 billion)** was related to aerospace. There were also currently **128,000** EU citizens working in the UK, of which **7% (16,000)** were in aerospace.
- Exporting is going to become more complicated as the UK will need to set up multiple trade agreements with different countries.

New Airbus wing facility

Construction has started on revolutionary new wing development facility at Airbus in Filton. This will be the proving ground for future technologies, new materials and manufacturing techniques, as well as novel and more efficient testing processes.



The first Carbon60 aviation salary survey has been published! Please click the image above or visit www.carbon60global.com to download the results.

- A recent forecast is for airlines to make a global profit of **£23.9 billion** in 2017, however half of this is from North America alone, with Europe - and it's similar sized market – will make just **£4.5 billion**. The expansion at Heathrow is predicted to benefit the economy by **£61 billion**.
- The government has created a **£400 million** R&D fund for the aviation sector, which will make up a part of the **£4 billion** joint R&D commitment up to 2026.
- A slight recovery after a slowdown in 2016 will primarily be due to aircraft production levels resuming growth in 2017, driven by strong demand for next-generation aircraft and growing passenger traffic, especially in the Asia-Pacific and the Middle East regions.
- Consumers are benefitting from lower real travel costs and more routes, and will spend **0.9%** of world GDP on air transport in 2017.
- Farnborough Airshow 2016 had a hugely successful year with orders totalling **£99.5 billion** being generated.

Heathrow airport expansion

IATA have projected that even in a 'Hard Brexit' scenario, the UK is still going to see a high demand for air transport over the next 20 years where passenger numbers will grow by at least 90 million. In order to meet this expected demand and fulfil the need to trade more widely with the world following Brexit, the UK urgently needs new airport and airspace capacity.

A third runway at Heathrow airport has been proposed, however the projected cost of £17 billion is causing concern. An affordable Heathrow expansion is essential if a post-Brexit UK is to be a competitive business and tourism location. By working with the airport to focus on a realistic cost proposals, the airline industry can help to play its part in delivering robust and sustainable future air connectivity for the UK.



The last Concorde ever to fly has safely completed her journey to Aerospace Bristol, a new £19m museum located at the former Filton Airport, Bristol, due to open summer 2017.



Carbon60 is a specialist in providing flexible and cost effective engineering and technical people solutions on an international scale. We work in partnership through a combination of recruitment, managed services and outsourced projects to help connect the best industry professionals and teams to dynamic businesses across aviation, construction, engineering and technology.

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01329 227048

