

In association with:



UK DEFENCE AND AEROSPACE FACTS 2021

DEFENCE & AEROSPACE*
MANUFACTURING
OUTPUT WORTH
OVER £12BN



THE **2ND LARGEST**
GLOBAL
DEFENCE
EXPORTER AFTER THE USA



£20.3BN
OF DEFENCE
EXPENDITURE
ACROSS UK INDUSTRY



MICRO AND SMEs ACCOUNT FOR
97% OF DEFENCE
& AEROSPACE
MANUFACTURERS



AN AVERAGE WAGE OF
£45,594 IS **27%**
HIGHER THAN THE
MANUFACTURING AVERAGE



207,000 JOBS
SUPPORTED DIRECTLY
AND INDIRECTLY
ACROSS **THE UK**

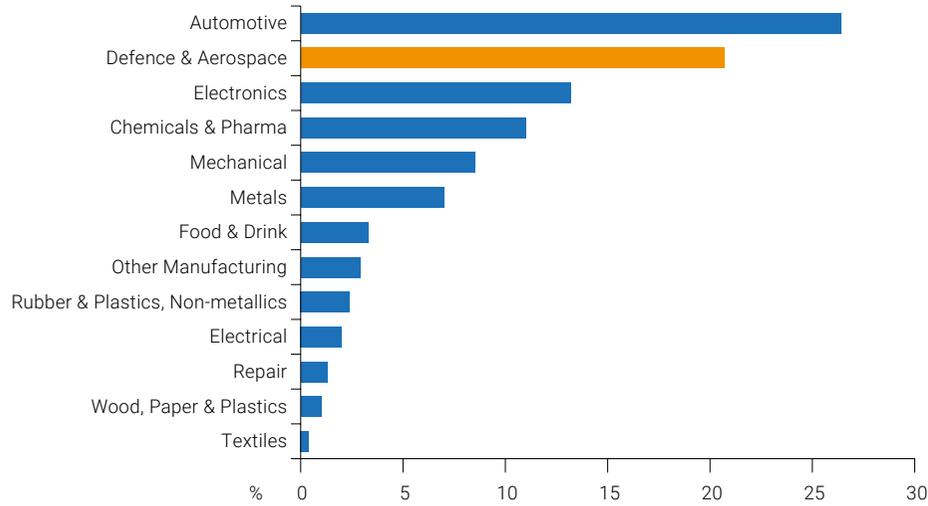


Source: MOD, ONS, DfE
*Data is represented by the Other Transport Group (SIC 30)

R&D

R&D % share of manufacturing

The UK Defence & Aerospace manufacturing subsector is the 2nd most R&D intensive in the industry, accounting for 21% of all manufacturing R&D expenditure.

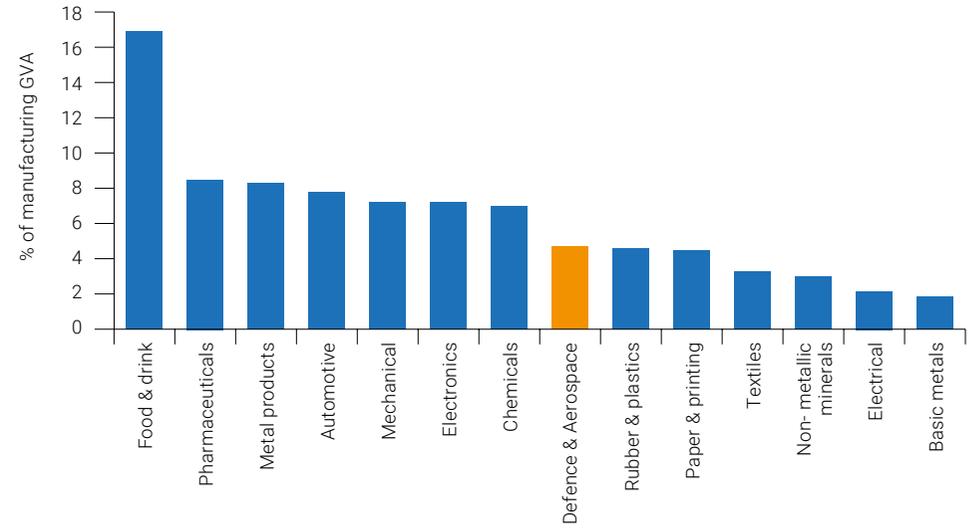


Source: ONS

OUTPUT

Defence & Aerospace Gross Value Add (GVA) as a % of UK manufacturing GVA

The Defence & Aerospace manufacturing subsector accounts for 4.7% of the UK's manufacturing sector



Source: Oxford Economics

BREAKDOWN OF DEFENCE EXPENDITURE



Source: UK Defence in numbers (2019)

TOP 5 EXPORT MARKETS FOR DEFENCE & AEROSPACE GOODS

FRANCE
£2.6bn

UNITED STATES
£2.4bn

GERMANY
£2.3bn

CANADA
£474m

NORWAY
£460m

TOP 5 IMPORT MARKETS FOR DEFENCE & AEROSPACE GOODS

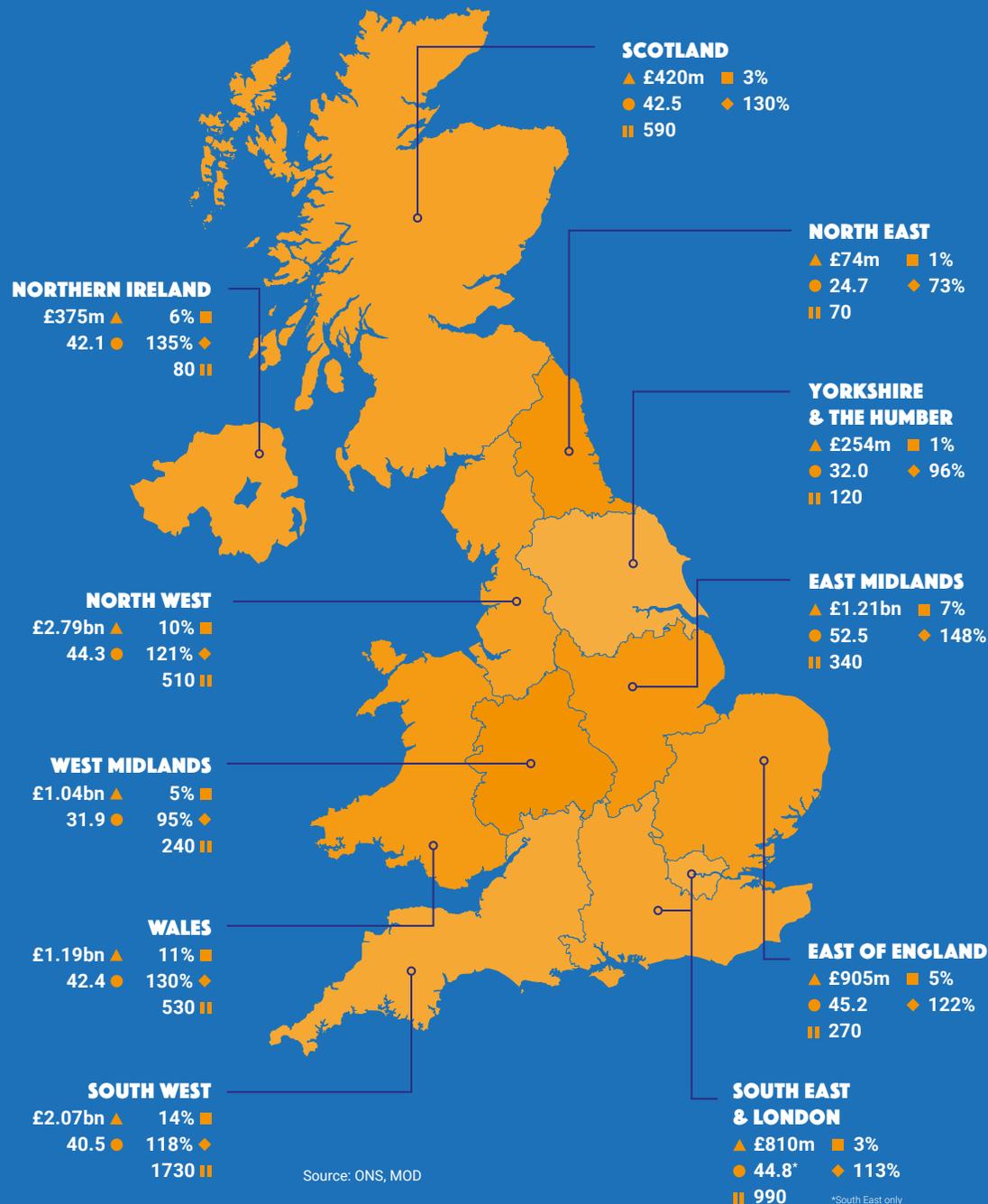
UNITED STATES
£1.9bn

FRANCE
£1.7bn

GERMANY
£859m

ITALY
£300m

QATAR
£211m



Key:

- ▲ Defence & Aerospace output
- % share of total manufacturing GVA
- Average Wages (£k)
- ◆ Defence & Aerospace salary as % of average regional manufacturing salary
- || FTE Jobs Supported per 100k employed

Note: Defence exports/imports account for only Aircrafts, Spacecraft, Arms, Ammunition and parts
Source: UKtradeinfo (2020)

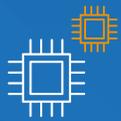
*South East only

THE SUPPLY CHAIN STRUCTURE

WHERE DO THE INPUTS COME FROM?



AIR AND SPACECRAFT
£4.4BN, 19%



ELECTRONIC EQUIPMENT
£2.7BN, 12%



IRON AND STEEL
£2.3BN, 10%



FABRICATED METALS
£1.4BN, 6%



OTHER*
£11.2BN, 50%



Defence & Aerospace manufacturers access inputs from a variety of industries to produce everything from aeroplanes to submarines. This includes both components and finished products.

DEFENCE, AEROSPACE & SHIPPING GOODS

The goods produced by Defence & Aerospace manufacturers are determined by the demand from other various sectors, such as Defence OEMs or Public Services. These sectors use the outputs of Defence & Aerospace manufacturers in their own products, processes and services.



WHERE DO THE OUTPUTS GO?

AIR AND SPACECRAFT
£4.4BN, 23%



DEFENCE AND PUBLIC ADMIN
£4.2BN, 27%



REPAIR OF AIRCRAFT/ SPACECRAFT
£2.3BN, 15%



OTHER TRANSPORT EQUIPMENT
£864M, 6%



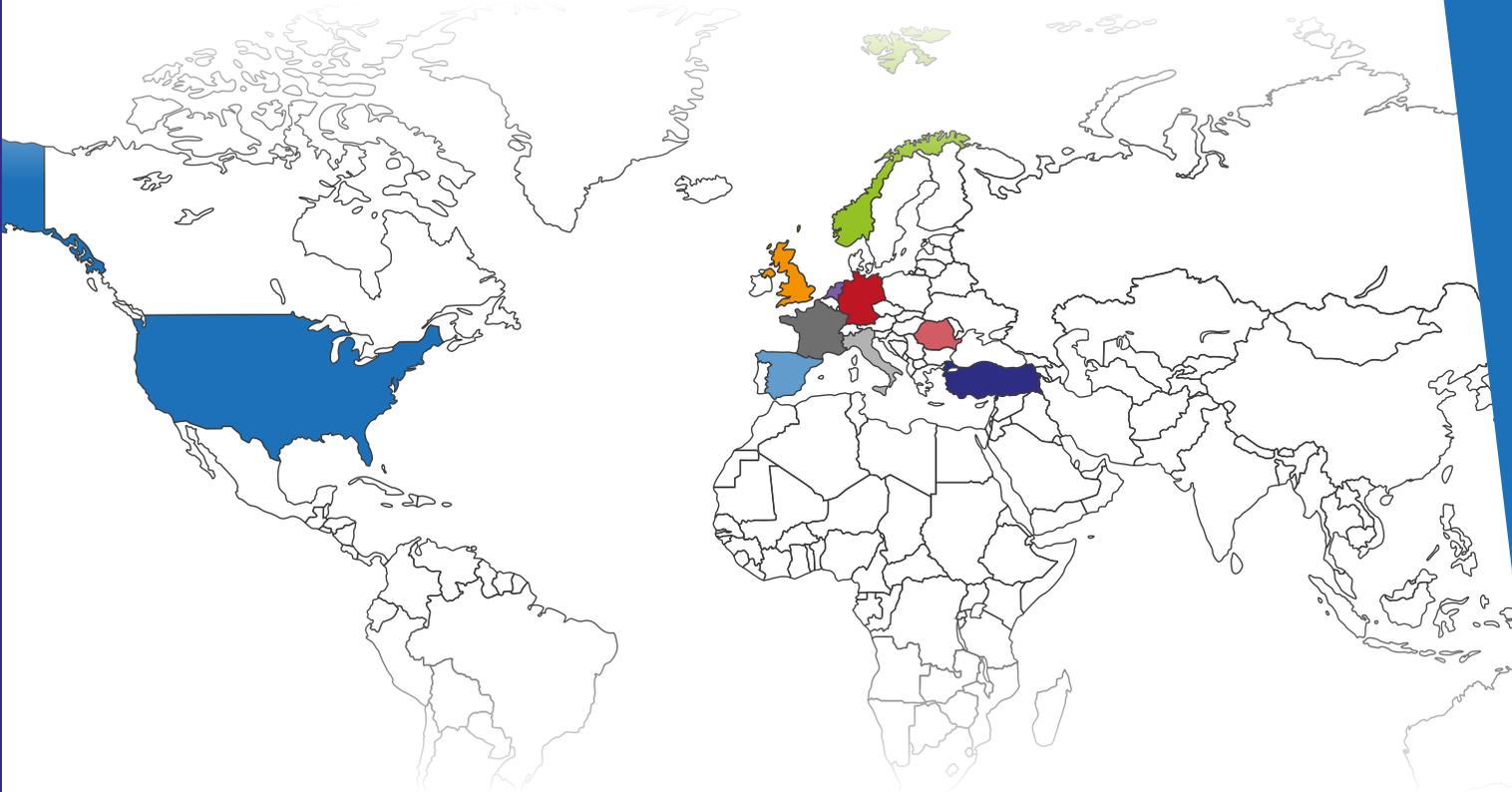
OTHER*
£3.8BN, 25%



HOW DO WE COMPARE GLOBALLY?

The UK has the 2nd highest Government budget allocation for R&D expenditures within the Defence sector across NATO countries

Source: OECD GBARD (2019), PPP \$ Current Prices



United States:
\$70.36bn



United Kingdom:
\$2.06bn



Germany:
\$1.99bn



Turkey:
\$1.47bn



France:
\$254m



Spain:
\$154m



Norway:
\$129m



Romania:
\$100m



Netherlands:
\$89m



Italy:
\$86m

Note: Only the top 10 NATO countries by R&D budget allocation was considered for illustration purpose

GLOBAL RANKINGS

2ND LARGEST



GLOBAL DEFENCE EXPORTER

10TH LARGEST

GLOBAL DEFENCE IMPORTER



5TH HIGHEST



SPENDING ON THE DEFENCE SECTOR

Source: UK Defence and Security export statistics for 2019, Global Firepower (2021)



Make UK Defence is a national not-for-profit, member owned defence trade association, part of Make UK – the manufacturers’ organisation.

We champion and support the UK’s innovative and diverse defence manufacturers and the wider defence supply chain.

Guided by our member Advisory Board, our mission is simple;

- to have a deep understanding of our members and their challenges, within the context of the domestic and global defence industry;
- to celebrate and amplify the success of the UK defence supply chain, whilst ensuring our members’ challenges and concerns are clearly heard and acted upon in Government and the defence primes;
- to help our members grow through networking and Meet the Buyer opportunities
- to provide our members with true competitive advantage through our business and people development programmes.

Together, we are helping to build an innovative, forward looking, internationally competitive UK defence supply chain.

www.makeuk.org/about/make-uk-defence
[@makeukdefence](https://twitter.com/makeukdefence)

For more information, please contact:

Andrew Kinniburgh
Director General
akinniburgh@MakeUK.org



Raytheon UK is committed to investing in Britain’s future. Through long-term investments in research, training and technological innovation, Raytheon UK is helping to build a more agile & inclusive workforce, and a resilient economy that delivers prosperity to all corners of the country.

As a prime contractor and major supplier to the Ministry of Defence and commercial organisations, Raytheon UK delivers technology and services across all domains - Space, Cyber, Maritime, Air and Land. Delivering transformative training and cyber solutions across the spectrum and providing a leading UK design and manufacturing capability across weapons and sensors.

We employ over 2,000 highly skilled people across the country, with major facilities in Broughton, Glenrothes, Harlow, Livingston and Gloucester.

Raytheon Technologies in the UK

Raytheon UK is part of the Raytheon Technologies enterprise in the UK, which consists of Collins Aerospace and Pratt & Whitney supporting over 7,000 employees in country.

www.raytheon.com/uk
www.linkedin.com/company/raytheon-uk/

