

AEROSPACE SPOTLIGHT

The Aerospace Industry in the United States

U.S. aerospace manufacturers are very competitive internationally. In 2017, the industry contributed \$143 billion in export sales to the U.S. economy. Its positive trade balance of nearly \$85 billion that year was the largest trade surplus of any manufacturing industry, supporting high-wage jobs for hundreds of thousands of American workers. At the end of 2017, inward stock of foreign direct investment (FDI) into the U.S. aerospace manufacturing industry totaled more than \$21 billion.

Foreign firms are attracted to the U.S. aerospace market because it is the largest in the world and has a skilled and educated workforce, extensive distribution systems, diverse offerings, and strong support at the local and national level for policy and promotion. The U.S. aerospace industry directly employs about 485,000 workers in scientific and technical jobs across the nation and supports more than 700,000 jobs in related fields. Investment in the U.S. aerospace industry is facilitated by a large pool of well-trained machinists, aerospace engineers, and other highly-skilled workers with experience in the aerospace industry.

Investors in the U.S. aerospace industry are supported by the Federal Aviation Administration's (FAA) "gold standard" of aviation safety, boosting the confidence worldwide in the safety of aircraft and aircraft parts manufactured in the United States. The FAA has Bilateral Aviation Safety Agreements (BASAs) that facilitate the airworthiness approval in 47 countries outside the United States of American made aerospace products.

INDUSTRY SUBSECTORS

Large Civil Aircraft (LCA): The United States is a global leader in LCA production and offers many opportunities for investment in the LCA supply chain

Rotorcraft: The U.S. rotorcraft industry is diverse with the bulk of new deliveries arriving from mature production lines. The market encompasses military, emergency medical service (EMS) providers, offshore oil and gas exploration, and law enforcement applications.

Commercial Space: The companies in the U.S. commercial space market are major suppliers to U.S. Government programs, where demand has remained stable during the commercial aerospace and global economic downturns.

General Aviation (GA): The United States is the world's largest market for GA aircraft. U.S. manufacturers produce a wide range of GA products including piston aircraft, turboprops, jets, balloons, dirigibles, and experimental aircraft.

Engines: Major engine and power plant manufacturers are typically part of diversified corporations producing engines for both civil and military aircraft, either alone or as part of one or more joint ventures. Engines and power plant sales also provide maintenance, repair and overhaul business opportunities.

Unmanned Aircraft Systems (UAS): Given the rapid growth of military and civil governmental UAS operations, there is tremendous potential for the U.S. industry in the evolving commercial UAS sector. The establishment of the FAA's six UAS test sites, the creation of the FAA's Center of Excellence for Unmanned Aircraft Systems, and the partnership with industry through the Focus Area Pathfinder initiative demonstrate the U.S. Government's commitment to supporting civil UAS development. The over-one million registrations that the FAA has processed (163,000 of which are for commercial users) exemplify the expanding level of demand for UAS in the United States. Select USA

Airport Infrastructure/Aviation Security: Airport infrastructure and aviation security markets continue to grow both in the United States and abroad. While the FAA has completed installation of its satellite navigation ground stations, work continues to re-design airspace and FAA procedures. As air traffic management moves to greater reliance on data communications, the focus in aviation security has shifted from countermeasures to physical threats to containment and mitigation of cybersecurity threats. The growing presence of unmanned aircraft systems has helped to increase the importance of cybersecurity measures, given the dangers of loss of control and pirated data.

Aviation Fuels: Alternative fuels in the aviation sector continue to be of interest due to the historic price volatility of traditional jet fuel and to concerns about the effect of aviation on the environment. The United States is a leader in alternative aviation fuel research and development, and U.S. producers have successfully completed test flights using fuels from a variety of feedstock. These fuel producers are actively seeking investment as they move towards commercial production. Multiple U.S. agencies collaborated to produce the Federal Alternative Jet Fuels Research and Development Strategy, which was finalized and submitted

Supply Chain: The United States has a robust aerospace supply chain with capabilities in maintenance, repair, and overhaul (MRO), composites, metal-working, avionics, testing equipment, and coatings. U.S.-based suppliers are highly sought after partners for aerospace manufacturing programs at home and abroad. the White House in June 2015. Select USA