Supply Chain Excellence in the German aerospace industry

Status quo and outlook for the German aerospace industry

On behalf of the German Federal Ministry for Economic Affairs and Energy

An initiative by

Supply Chain Excellence: Collaboration of aerospace industry stakeholders throughout Germany

Political patronage

Bundesministerium für Wirtschaft und Energie

Bayerisches Staatsministerium für Wirtschaft und Medien, Energie und Technologie

Niedersächsisches Ministerium für Wirtschaft, Arbeit und Verkehr

Hamburg | Behörde für Wirtschaft, Verkehr und Innovation

Ministerium für Finanzen und Wirtschaft Baden-Württemberg

Supported by regional as well as state associations, BDLI and SPACE Germany

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Niedersachsen Aviation
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HANSE-AEROSPACE
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LR BW Forum Luft- und Raumfahrt Baden-Württemberg e.V.
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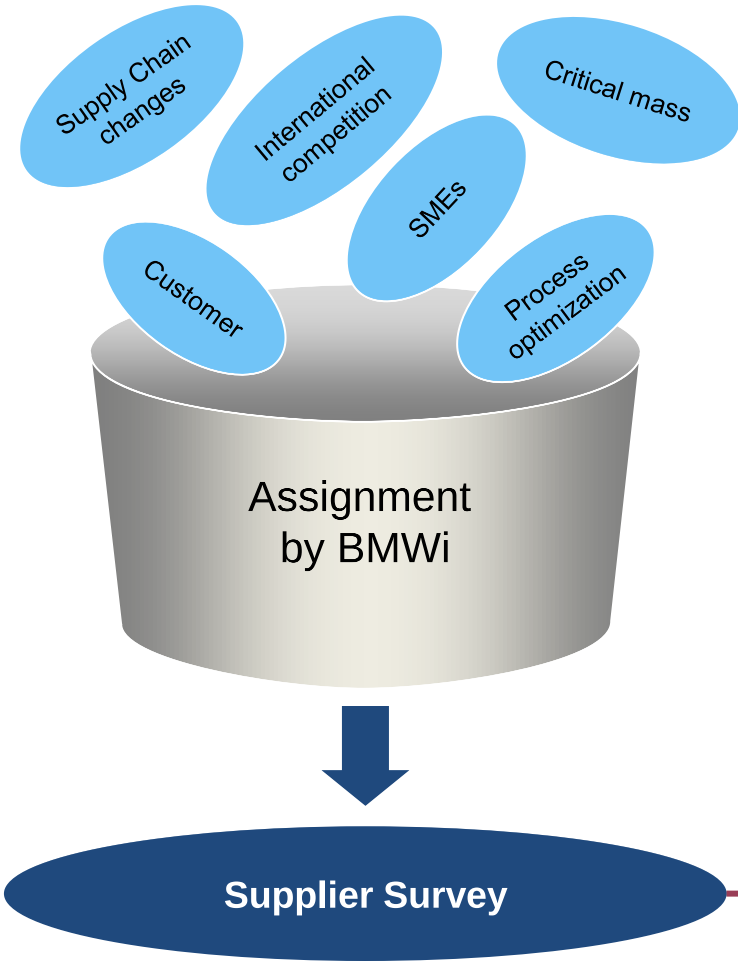
Project: Supplier Survey
Positioning of the German Aerospace Industry



Supplier Survey

- Respondents: 453 (rate=19.5%)*
- Classification in an ideal supply chain
- Identification of structural gaps
- Identification of target markets and key challenges
- Identification of major potential and need for action

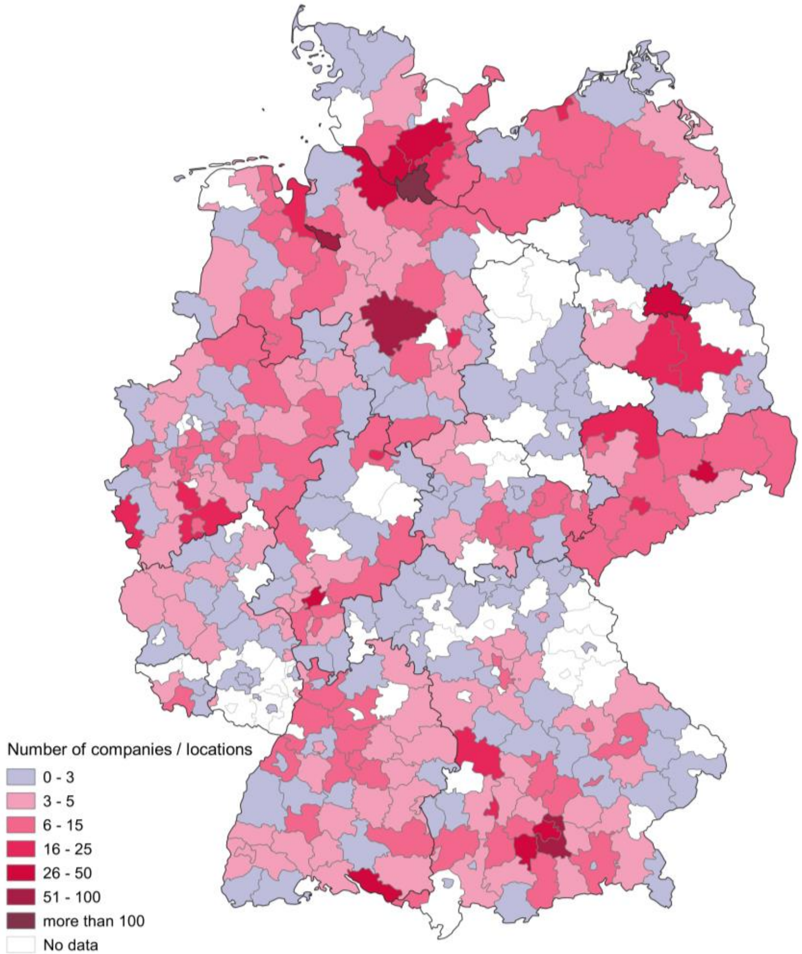
* Survey excludes space, air traffic operations and infrastructure

For the first time there is a survey of the total aerospace industry‘s supply chain locations throughout Germany

more than **2.300** companies / locations

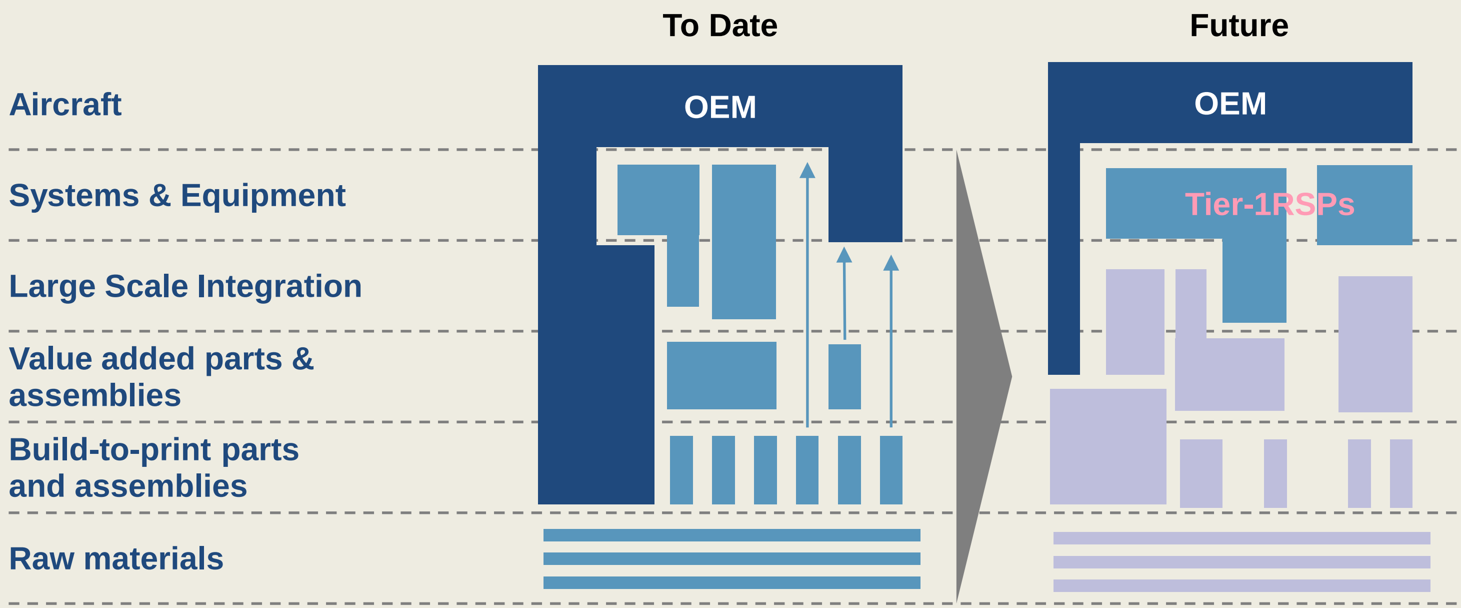
more than **100.000** employees

more than **€30** bn turnover



Increasing shift of responsibilities from the OEMs and Tier-1 supplier into the downstream supply chain

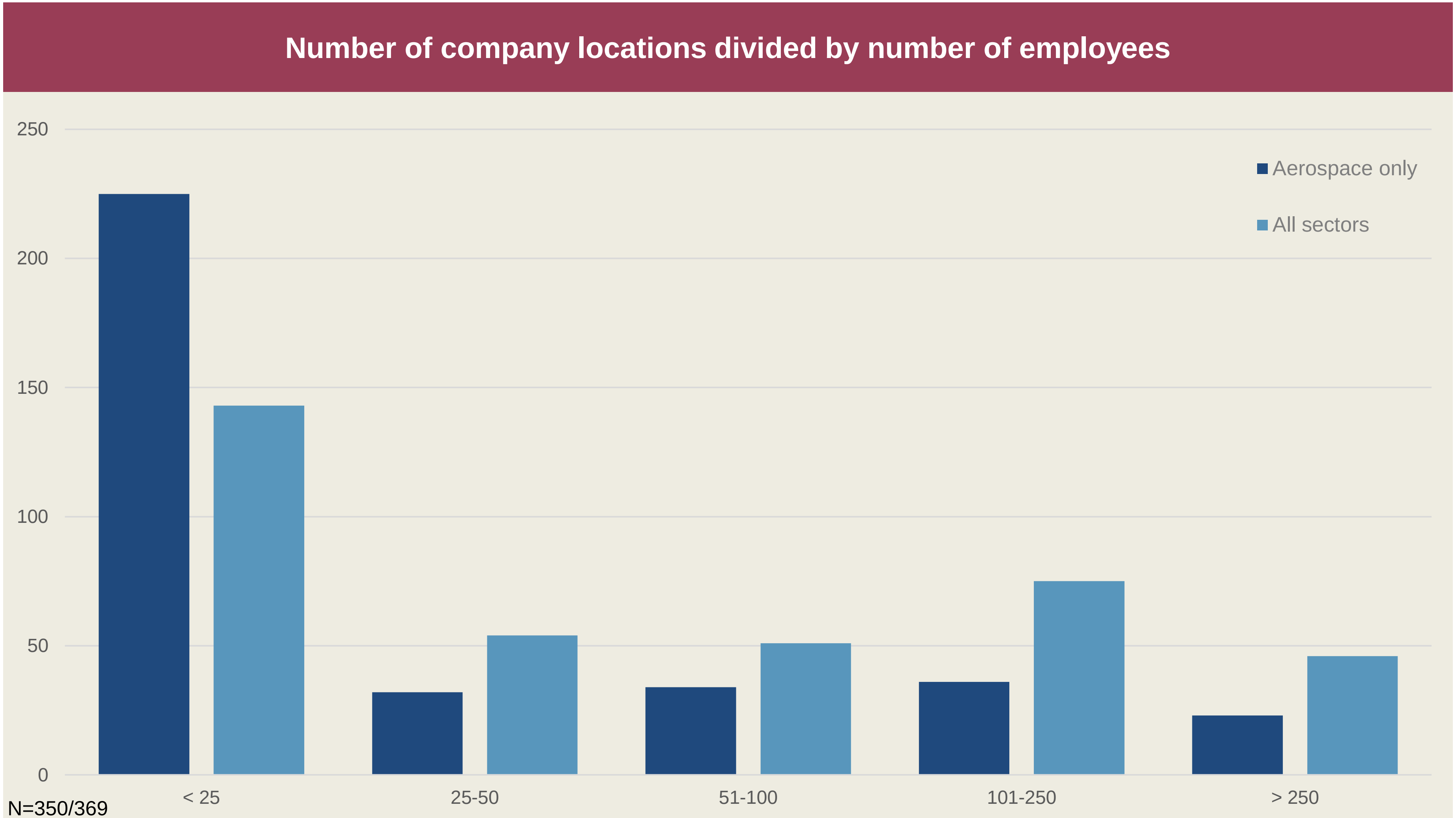
OEMs reduce vertical integration to focus on key technologies



- OEMs are vertically integrated
- Many direct suppliers with build-to-print work packages (extended workbench)
- Regional sourcing

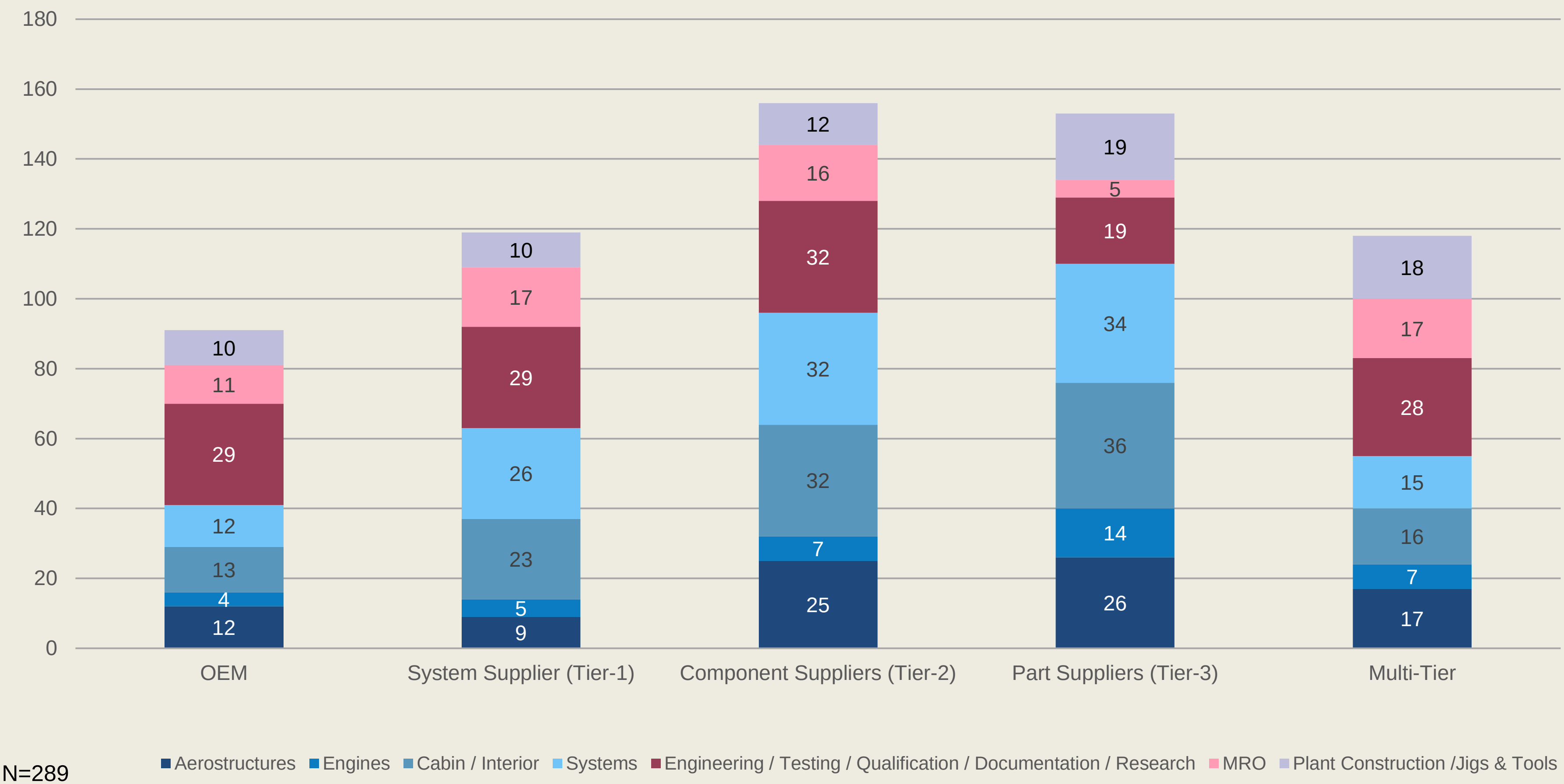
- OEM focus on system integration and key technologies
- Few direct suppliers acting as design & build risk-sharing-partner
- Global Sourcing

The vast majority of the German Aerospace suppliers is working in small entities



German aerospace companies cover all commodities and all supply chain levels

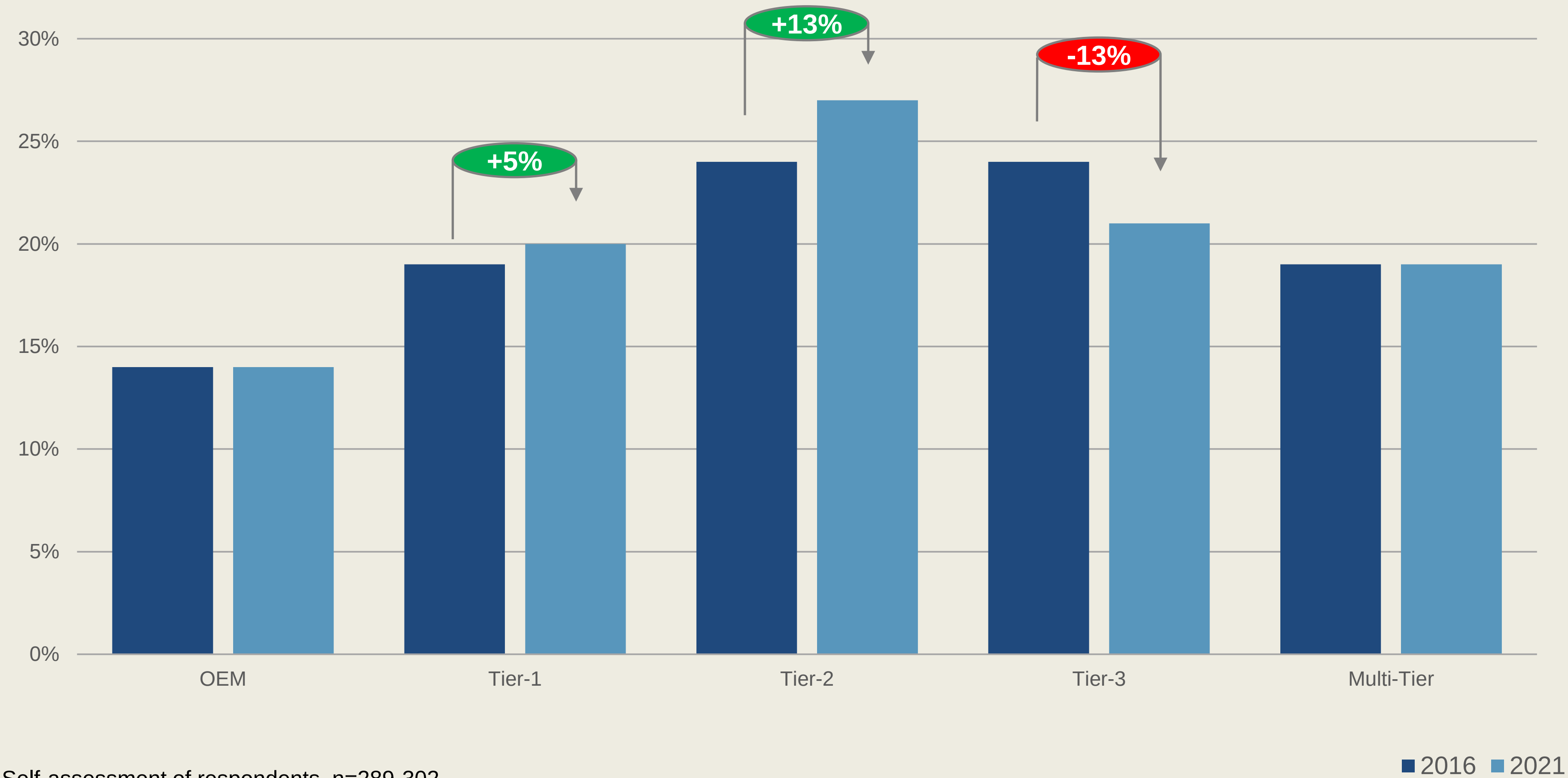
Self assessment of German supplier industry regarding tier level is not entirely in line with OEM's requirements



N=289

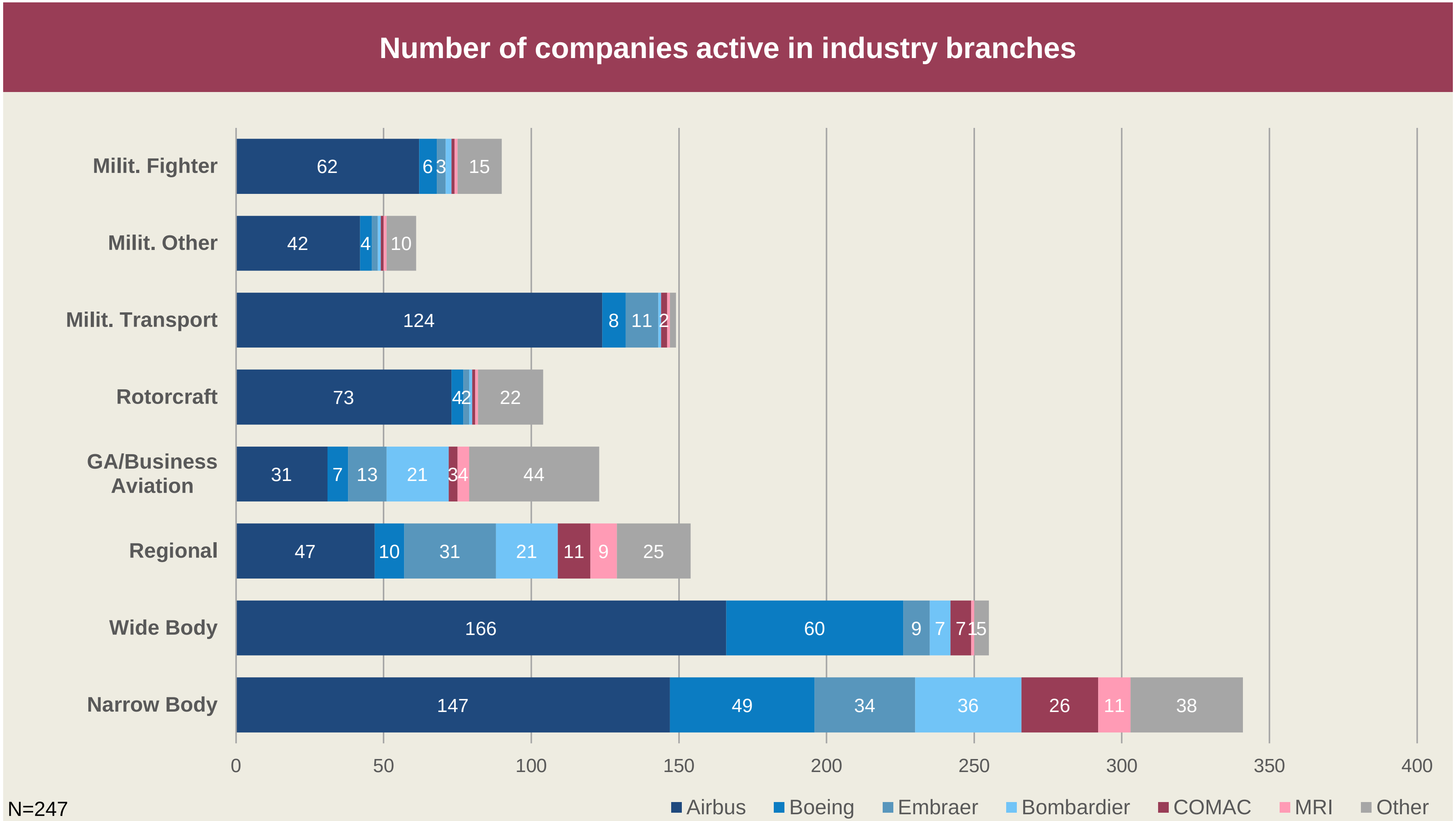
Significant increase of the number of Tier-2 suppliers with equivalent reduction of the number of Tier-3

Self assessment of tier level today and in five years



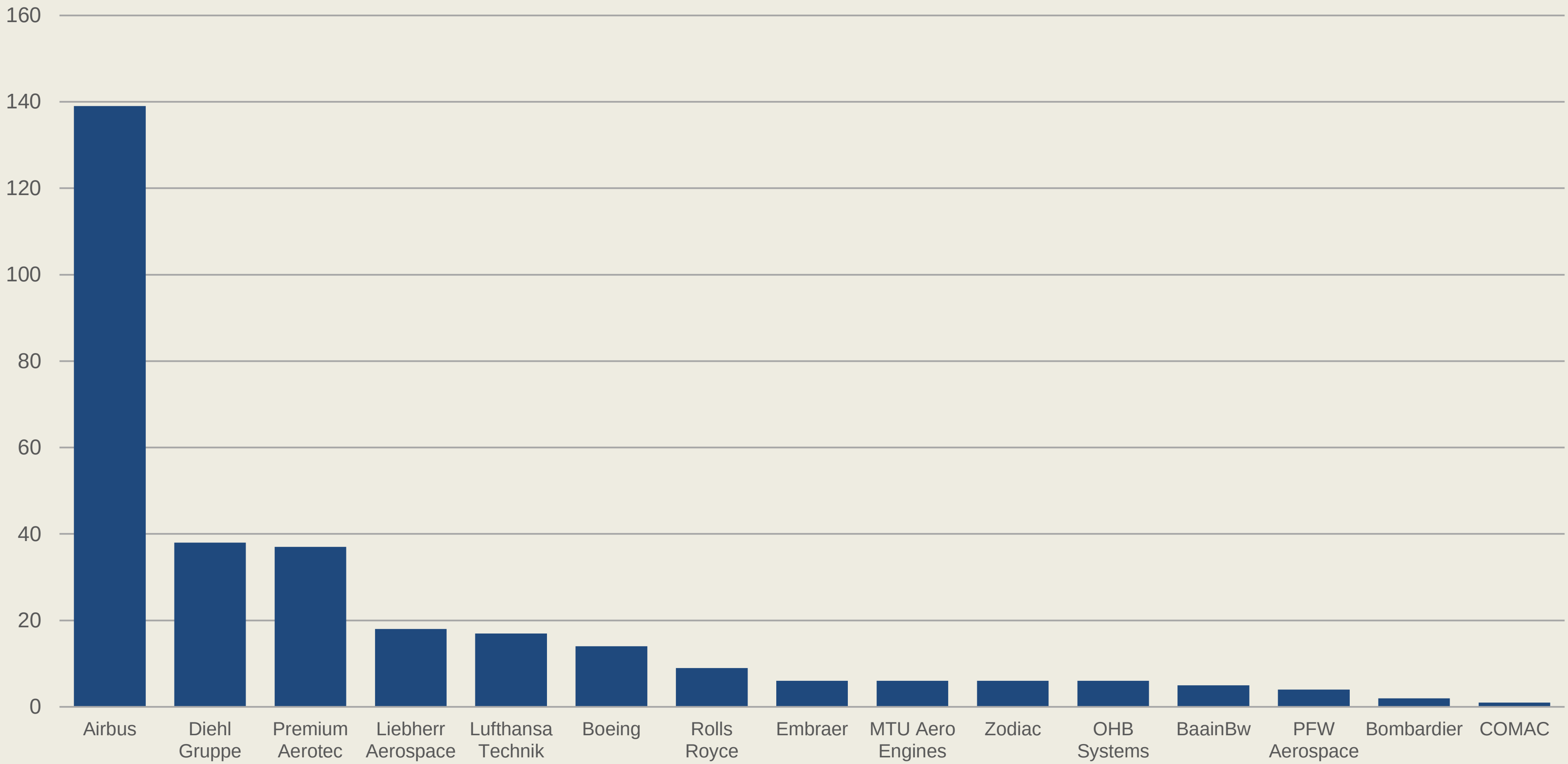
Self-assessment of respondents, n=289-302

Suppliers show strong connections to Airbus



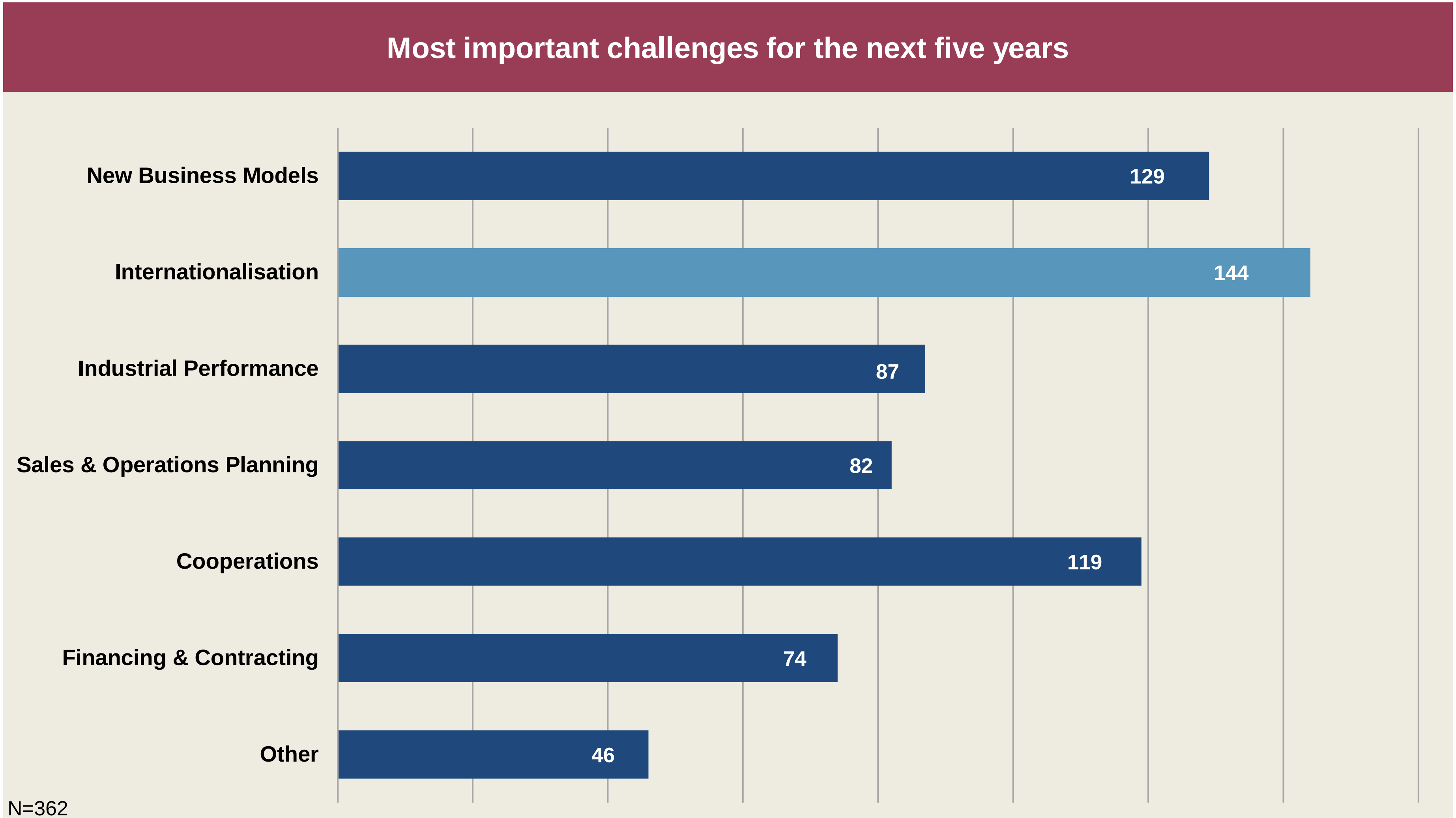
German OEM and 1st tier suppliers are mentioned as most important customers

Top 3 customers based on share of sales



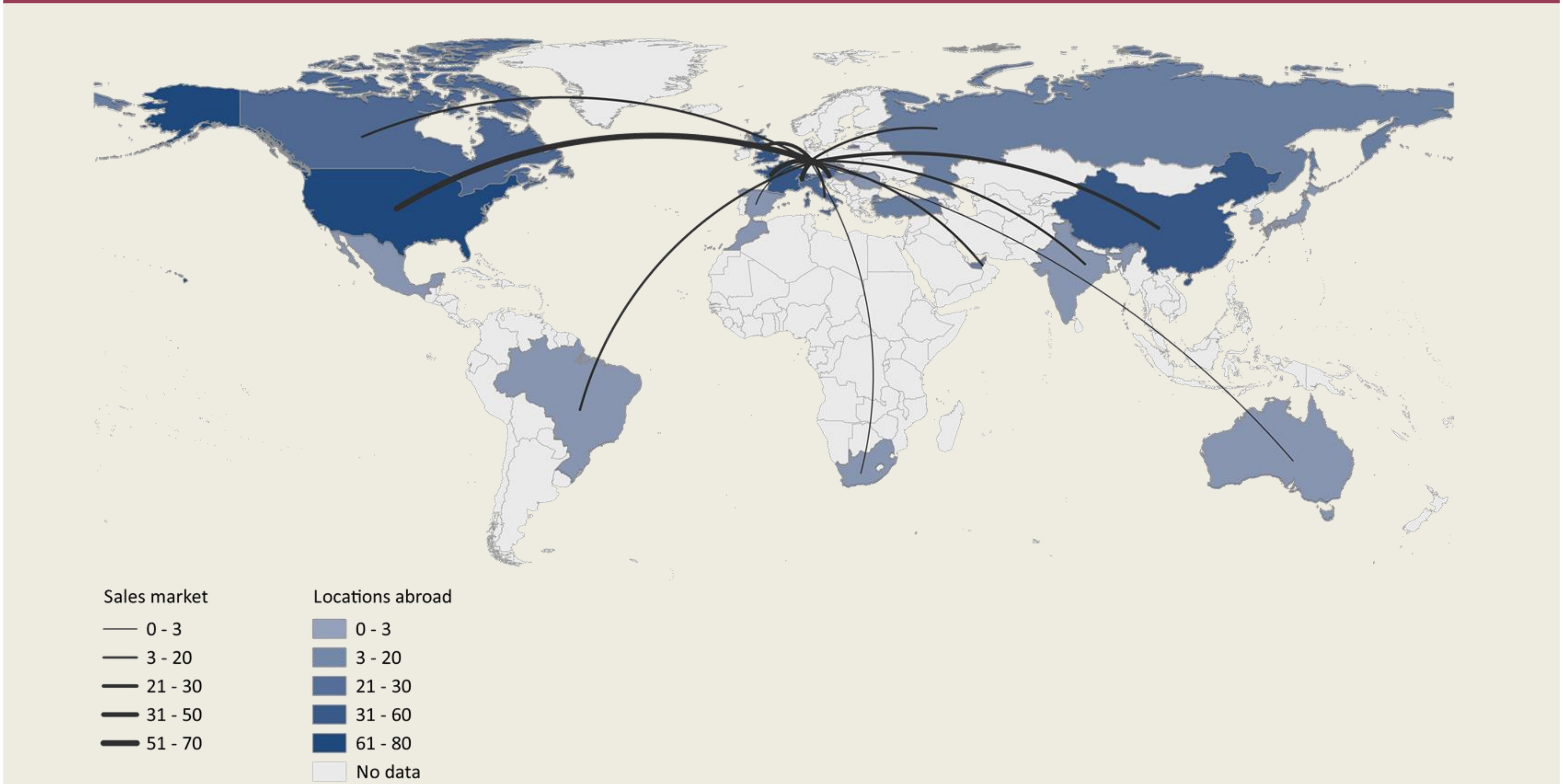
N=264

German suppliers see the need for action in the acceleration of the structural transformation

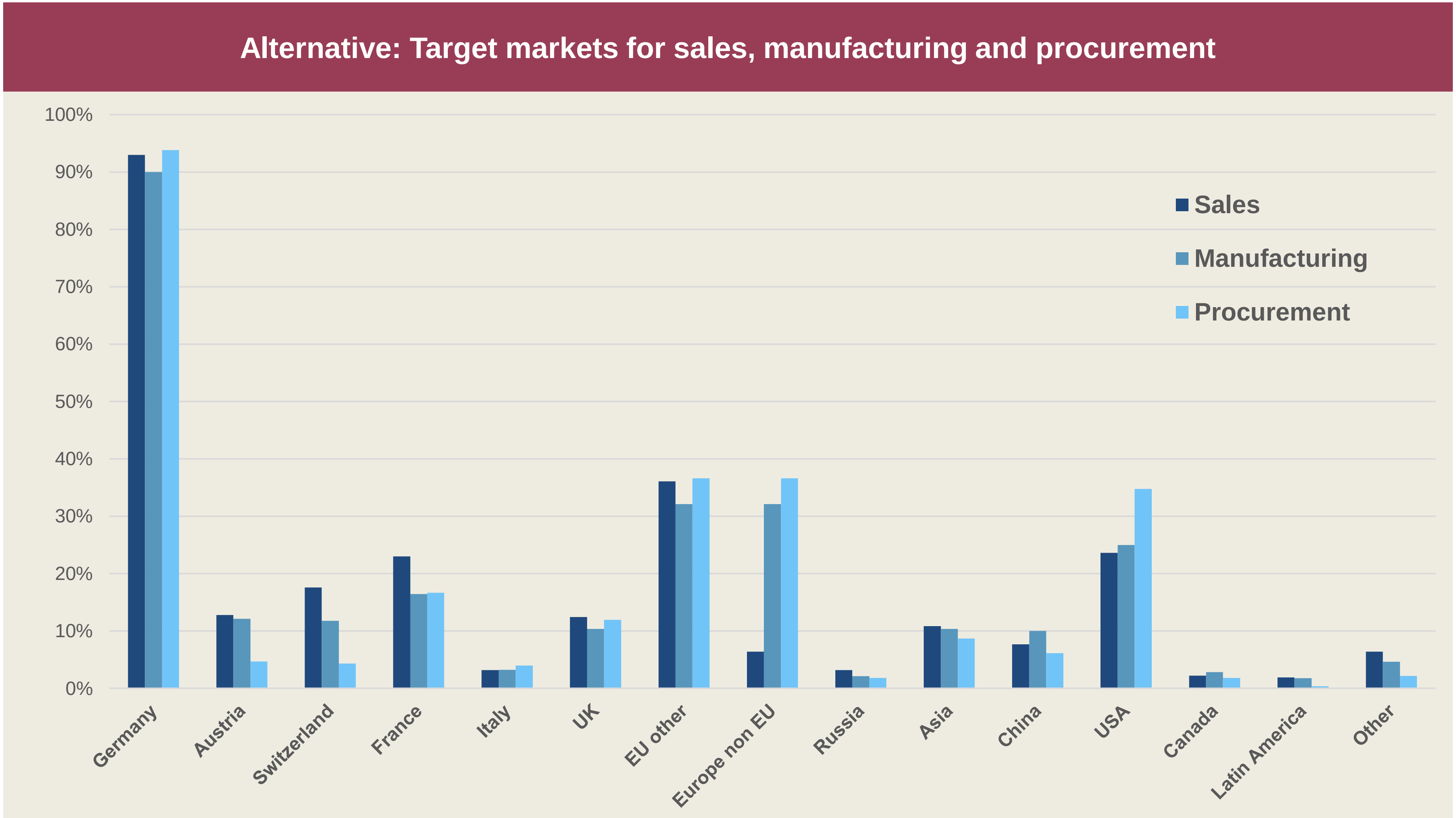


Internationalisation has been identified as the biggest challenge of the industry

The German aerospace industry is already present in most parts of the world

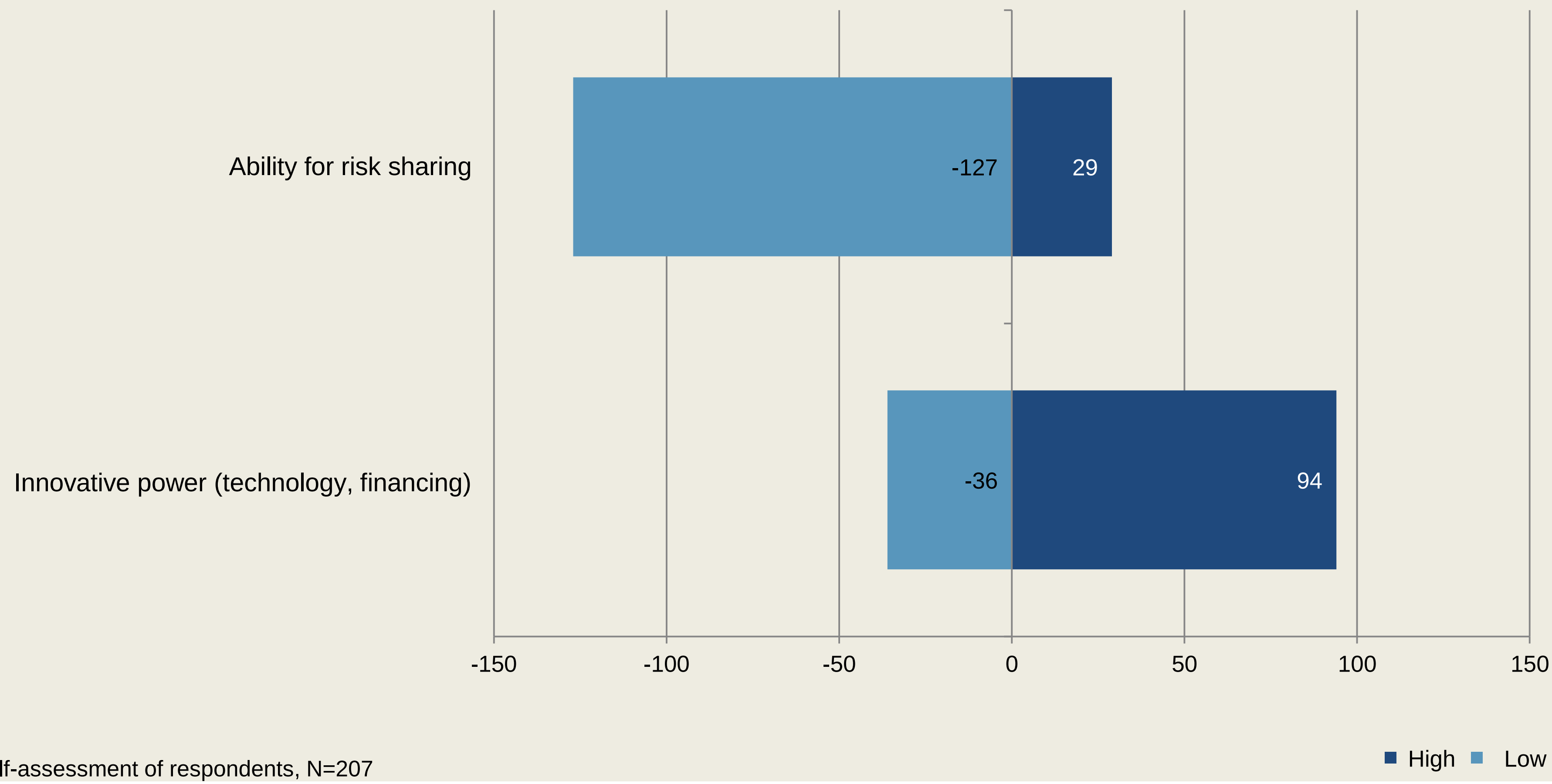


Germany is still the most important target market



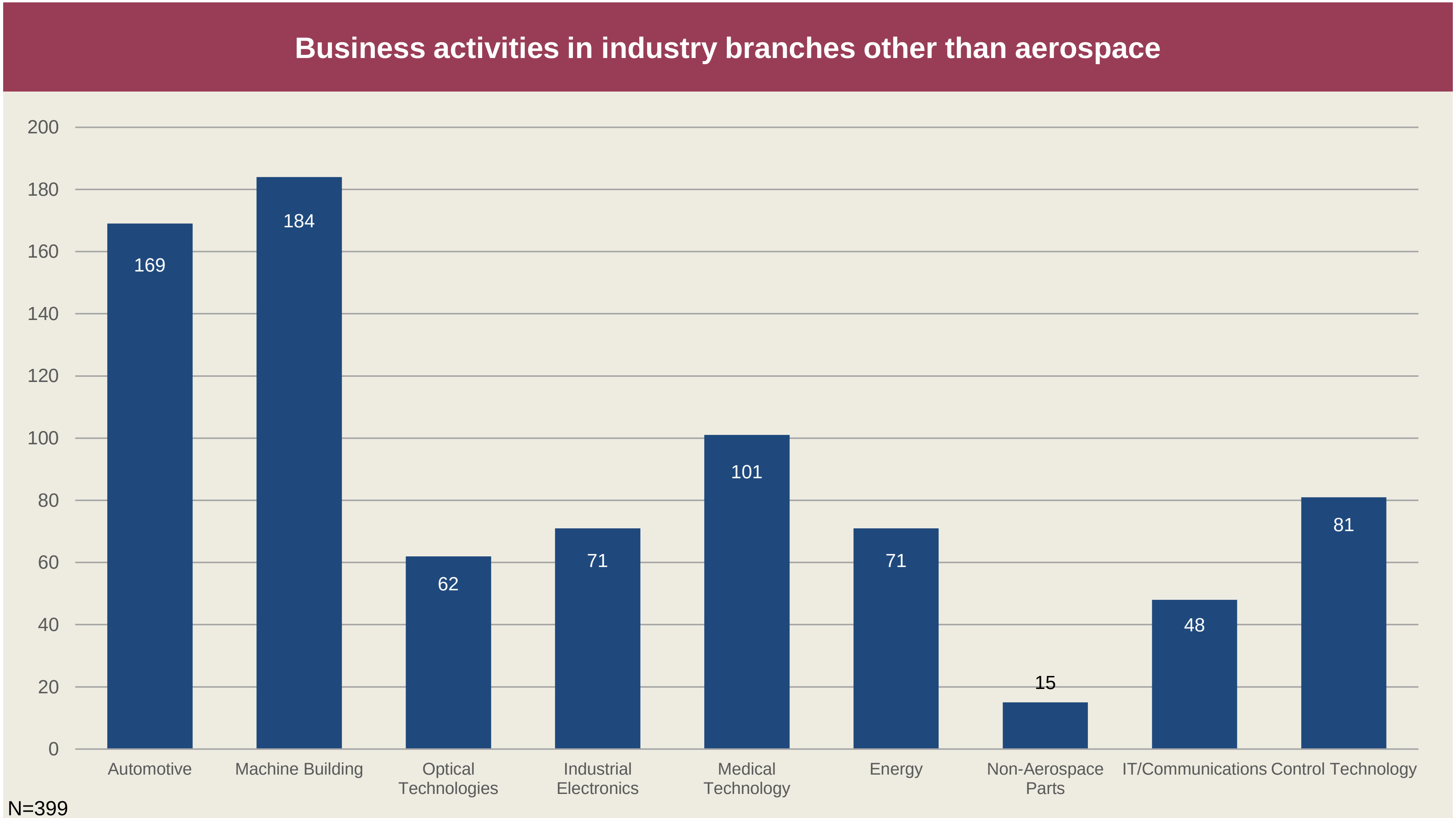
Innovative power of the German aerospace industry

Self assessment regarding…



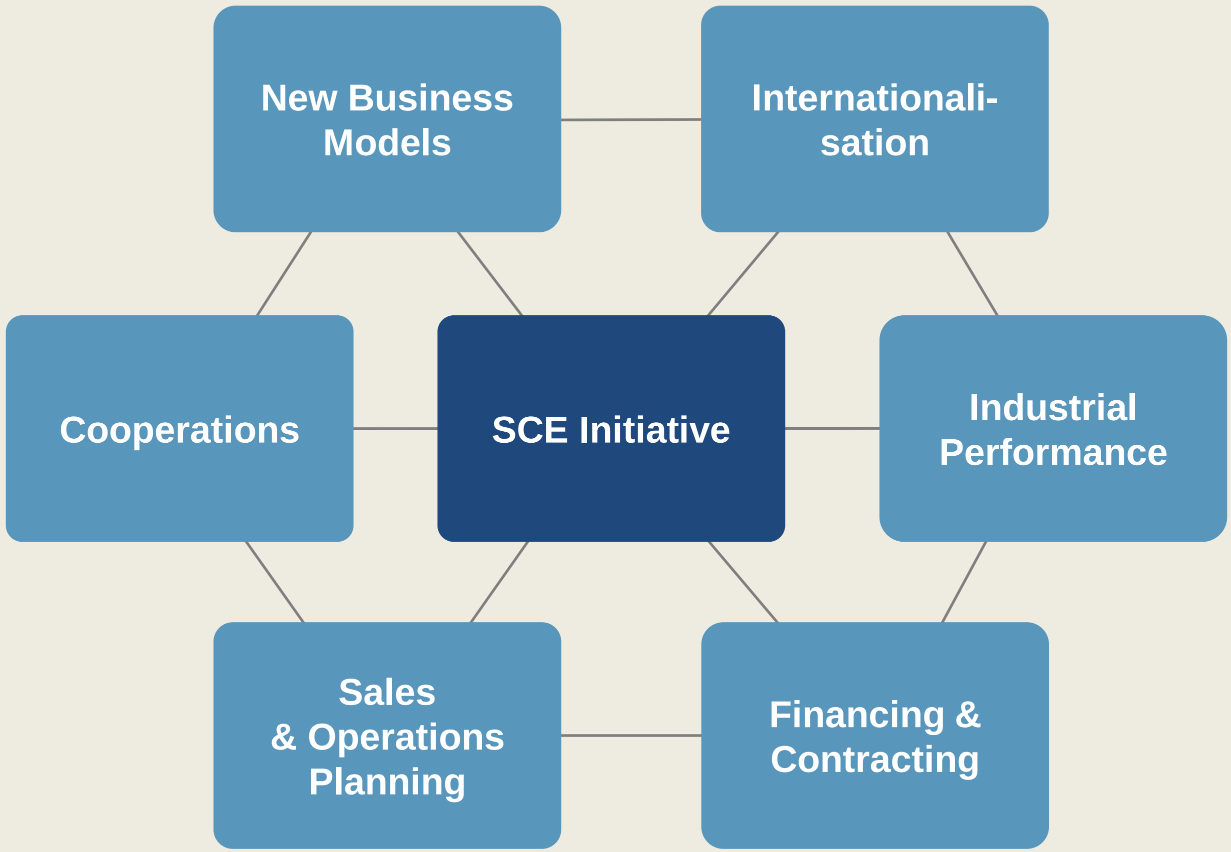
Self-assessment of respondents, N=207

Know how transfer through high industry diversification e.g. in automotive and mechanical engineering



SCE Initiative supports companies within the industry transformation

Six workstreams develop targeted projects and measures to support local companies



Thank you!

An initiative by

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