

AEROSPACE IN THE MIDLANDS

SUPPORTING POLICY MAKERS WITH BETTER INDUSTRY DATA



Click here for a detailed breakdown of the stats, methodology and findings in the full [Aerospace in the Midlands report](#).



MIDLANDS ENGINE



This report summary is the result of an extensive research programme carried out over the course of 2023, with the aim of deepening our understanding of a major industry in our region and seeks to:

- **Quantify the size of the aerospace sector in the Midlands** - providing accurate information on the size of the industry through a bespoke bottom-up company-level database
- **Quantify aerospace R&D funding support in the Midlands** - gaining a comprehensive understanding of R&D funding to the industry, including its distribution across supply chains and locations in the region.

THE CONTEXT

The Midlands is home to a **major aerospace cluster**, including global players Collins Aerospace, ITP Aero UK, Moog Aircraft Group, Parker-Meggitt and Rolls-Royce.

Yet, the standard data normally used to quantify the sector's economic impact are a **poor foundation for policy making**.

This project created a **new, bespoke company dataset**, which revealed that **the sector's size and contribution to the Midlands have been greatly underestimated**.

USING THE NEW DATASET

The new methodology also indicates that the success of Midlands aerospace companies and employees in global markets has a wider economic impact than previously thought, **generating more than 2% of the regional economy and sustaining over 100,000 jobs**.

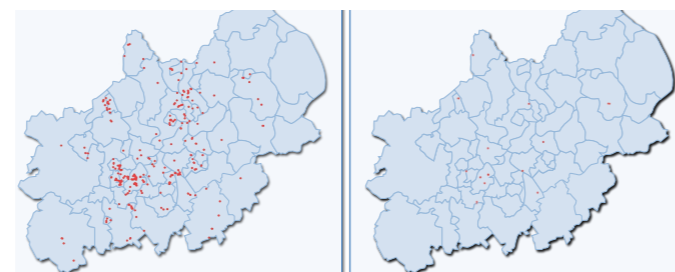
100,000 The number of jobs Midlands aerospace companies sustain

IMPACTS ON AEROSPACE R&D FUNDING

While Midlands aerospace benefits from a **high level of UK aerospace R&D grants**, receiving 40% of funding, R&D grants are highly concentrated, with **94% of specialist 'Flying Parts' maker companies (identified by meeting the global AS9100 standard) in the Midlands receiving no grants at all** from the national aerospace R&D ecosystem.

94% of specialist 'Flying Parts' maker aerospace companies in the Midlands receive no national R&D grants at all

The report raises the question of why the vast majority of Midlands aerospace companies do not access national R&D funding. Is there **a level of untapped innovation, productivity and export potential** and a lost opportunity for the regional aerospace cluster to contribute to sustainable aviation?



Comparing the geographical distribution of 'Flying Parts' aerospace suppliers with Aerospace Technology Institute R&D funding awarded to the same companies (2013-2022)

RECOMMENDATIONS

Midlands policymakers should encourage engagement around the findings of this report with national and regional industry and policy leaders, and consider follow-on actions including building on the initial partnership agreement between the Midlands Aerospace Alliance and Aerospace Technology Institute signed in 2023.

The report's conclusions lead to four policy recommendations:

- 1 Midlands is significant in wider aerospace context**
Policymakers should stay abreast of the economic and technology dynamics of the UK and global aerospace industry. They should work with the regional cluster to exploit future opportunities and support continued growth across supply chains.
- 2 A sizeable contribution to the region**
Midlands policymakers should take full account of aerospace for its contribution to the regional economy and dedicate appropriate resources to support the cluster.
- 3 Benefits from significant aerospace R&D grants**
All stakeholders should acknowledge that aerospace is a high-R&D-investment sector that governments subsidise to retain their countries' competitive edge and high-value manufacturing jobs and to accelerate the advent of more sustainable aerospace and aviation.
- 4 R&D grants are highly concentrated**
The vast majority of specialist aerospace companies receive no grants directly from the national aerospace R&D ecosystem. Midlands and national policymakers now need to understand why this is the case, whether it is optimal from a regional economic perspective, whether investing in R&D at aerospace supply chain companies might increase the cluster's regional impact and contribution to global sustainability, and, if so, how to implement any policy change.

This factsheet has been produced to complement the Insights report "[Aerospace in the Midlands](#)", produced by the [Midlands Engine Observatory \(MEO\)](#) and the [Midlands Aerospace Alliance \(MAA\)](#).

FUTURE RESEARCH

The fourth recommendation encompasses a number of more precise questions:

- ? Why do the vast majority of Midlands aerospace companies not access national R&D funding?
- ? Is there demand in the supply chain for the R&D subsidies from government that some large companies and research bodies receive?
- ? Are UK R&D grant subsidy schemes in fact designed to encourage specialist aerospace supply chain companies to innovate? (This is not the same as 'SME funding')
- ? Can aerospace cluster partners contribute to making national R&D funding more accessible?
- ? What lessons can be drawn from regionally designed and delivered aerospace R&D programmes such as NATEP 1 and Aerospace UP (MAA/University of Nottingham)?
- ? Would the region benefit from coming together behind a 'Midlands Aerospace Technology Strategy' (MATS) - which takes into account regionally important considerations such as innovation in advanced manufacturing supply chains - to complement national aerospace strategies?



Photo source: Rolls-Royce

WHAT DOES THE CURRENT DATA TELL US?

Official data traditionally relied on by UK national and regional bodies suggested that the Midlands has:

About **20,000 aerospace jobs** (1 in 5 of UK)
In **180 companies** (1 in 10 of UK)
Across **225 sites** (10% of UK)

WHAT DOES THE NEW DATA TELL US?

The new dataset-driven method has **deepened our understanding of the sector**, revealing the greater significance of the Midlands' aerospace cluster and indicating that the Midlands actually has:

36,500+ aerospace jobs
In **524 companies**
Across **595 sites** (21% of UK)

◀ The Midlands has **326** accredited aerospace sites (AS9100/ AS9110/ AS9120), 21% of the UK total.

