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The French aeronautics sector has the wind in its sails



The French aeronautics sector is doing very well in spite of the crisis. This flagship sector of the economy is continuing to grow, proof of the solidity of its structures and the dynamism of its projects.

As France's top exporter (80% of the sector's turnover), the French aerospace industry saw its activities hold firm in spite of the turbulence forecast since the beginning of the economic crisis. It should be noted that this industry is not limited just to aircraft manufacturers but covers a range of professions and skills, including component

manufacturers, defence and helicopters.

French companies, both aircraft manufacturers and component manufacturers, have built up a recognised and highly regarded competence over time. The Zodiac company, for example, which specialises in supplying aircraft galleys and equipment, also designs and supplies onboard safety equipment such as cabin fittings, seat belts and escape chutes. This rapidly expanding company has just taken over the German company Sell, its third acquisition in three months. Zodiac already employs 20,000 people worldwide, with three quarters of its workforce outside France and 93 production sites, no fewer than 46 of them in Europe and 39 in North America. With the acquisition of Sell (turnover: 179 million euros), Zodiac has added a further 1,270 employees to its total.

High-tech know-how

Based in Blagnac, in the Toulouse region, Aerolia manufactures the nose cones for the Airbus A380 at three French sites. French no. 1 in aerostructures, the group is also world no. 2 in the design and production of nose fuselage sub-assemblies. At Aircelle, which employs 3,000 people in France, the UK and Morocco, they make aircraft engine nacelles, a significant activity for the Safran Group of which Aircelle is a member. Safran is not only one of the leaders in the aerospace industry but also in defence and security. With 55,000 employees across the world, the French group is notably world no. 1 in landing gear, wheels and carbon brakes but also in helicopter flight controls. In addition to the know-how and experience of many businesses in the sector, it is their dynamism that is also enabling growth at a time of crisis. For instance, at Safran, 11% of annual turnover and 20% of the workforce



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are devoted exclusively to research and development, an emphasis on innovation that resulted in the group filing 500 patent applications in 2009.

With a following wind

This focus on the future is paying off. According to the French Aerospace Industry Group GIFAS, the sector as a whole has created 38,000 new jobs since 2006. Orders in the space, defence electronics and security sector are continuing to increase. It looks as though 2010 may be a year of transition in which air traffic is getting gently under way again, after slowing down as a result of the economic crisis. The spread of low-cost airlines as well as the development of emerging countries have allowed the sector to take off again. Dassault Aviation, for instance, delivered the first Falcon 7X out of an order for three to China at the beginning of April, having already sold this same aircraft to India. The LATelec company has been selected to develop, manufacture and install the full wiring of the Falcon 7X. Not an exhaustive activity since LATelec also provides the wiring for both civil (commercial and jet) and military aviation. Based historically in the South of France, this high-tech company has now gone international.

French and European

French companies have managed to be outward looking, especially within the European Union, by allying themselves with Spanish and German companies to form EADS (European Aeronautic Defence and Space Companies), now the leading European defence group and second in world terms. And union means strength, especially for Airbus, a wholly-owned subsidiary of EADS, with its headquarters in Toulouse. Airbus took 130 pre-orders in the first quarter and made 250 deliveries. A major order for 32 A380s, estimated at 11 billion dollars, was placed by the Emirates airline. The Brazilian company TAM has ordered twenty A320s and five A350-900s, representing a total of 2.9 billion dollars. While Gulf Air is also taking an interest in the A320, DAE Capital, based in Dubai, has ordered 100 Airbuses. Finally, the Russian airline Aeroflot has just ordered 11 long-haul aircraft, which are due for delivery between 2011 and 2013. Encouraged by a promising start to the year, Airbus is in the running to bid for a tender from the US Air Force on a contract of around 50 billion dollars to renew the US Army's tanker aircraft, based on an aircraft derived from the A330. A challenge that the European group is keen to take up, as it continues to work on its long-term flight plan: Air France-KLM may also place a very large order for around a hundred aircraft to renew its fleet over the next few years. French companies are intending to be on board.

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