

Five reasons aerospace suppliers should target the German market

Midlands Aerospace Alliance
2014

Five reasons aerospace suppliers should target the German market

1. Germany has a complete, mature aerospace industry to target
2. It is as big as the UK industry
3. It is growing faster than the UK
4. It is focused on the fastest growing civil aerospace markets
5. Its own supply chain has recognised weaknesses UK companies can address



1. Germany has a complete, mature aerospace industry

According to a European study it contains all four tiers

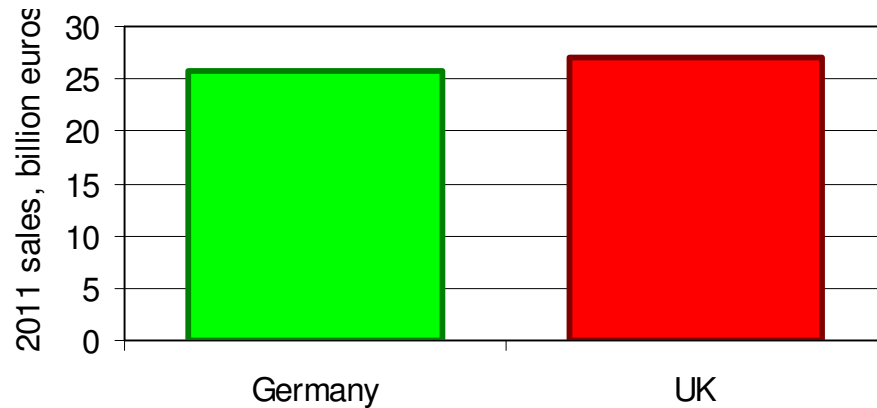
1. The first group contains system integrators, such as the OEM-suppliers **Airbus** and **Eurocopter** that supply final products (large civil aircraft and helicopters).
2. The second group contains engine manufacturers for jets and helicopters, **Rolls-Royce Germany**, **MTU Aero Engines**, **Turbomeca**.
3. The third group contains **equipment manufacturers** that supply a broad range of products, among them landing gear, avionics, measurement equipment, safety devices, cabins, interior equipment.
4. The fourth group contains a group of companies who primarily provides basic parts and components to the aerospace industry. Specific know-how in material technologies, machining, processing etc. is a key competency.

There is also a significant space industry and a large MRO sector

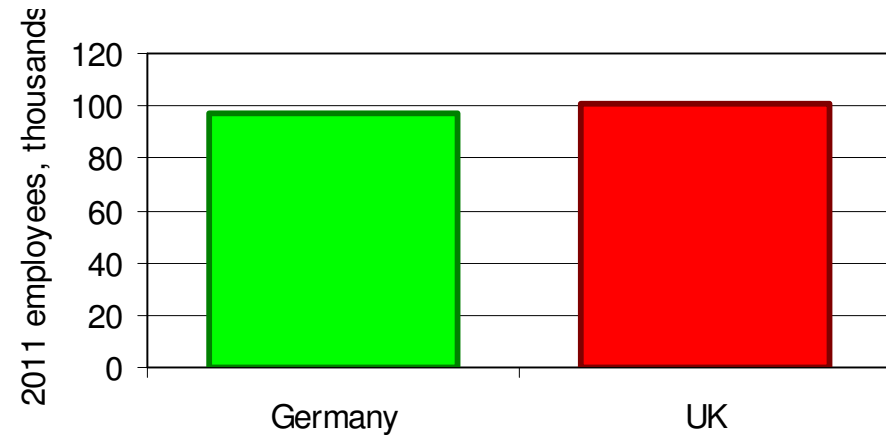


2. Germany's aerospace industry is as big as the UK's

Germany and UK aerospace compared:
sales



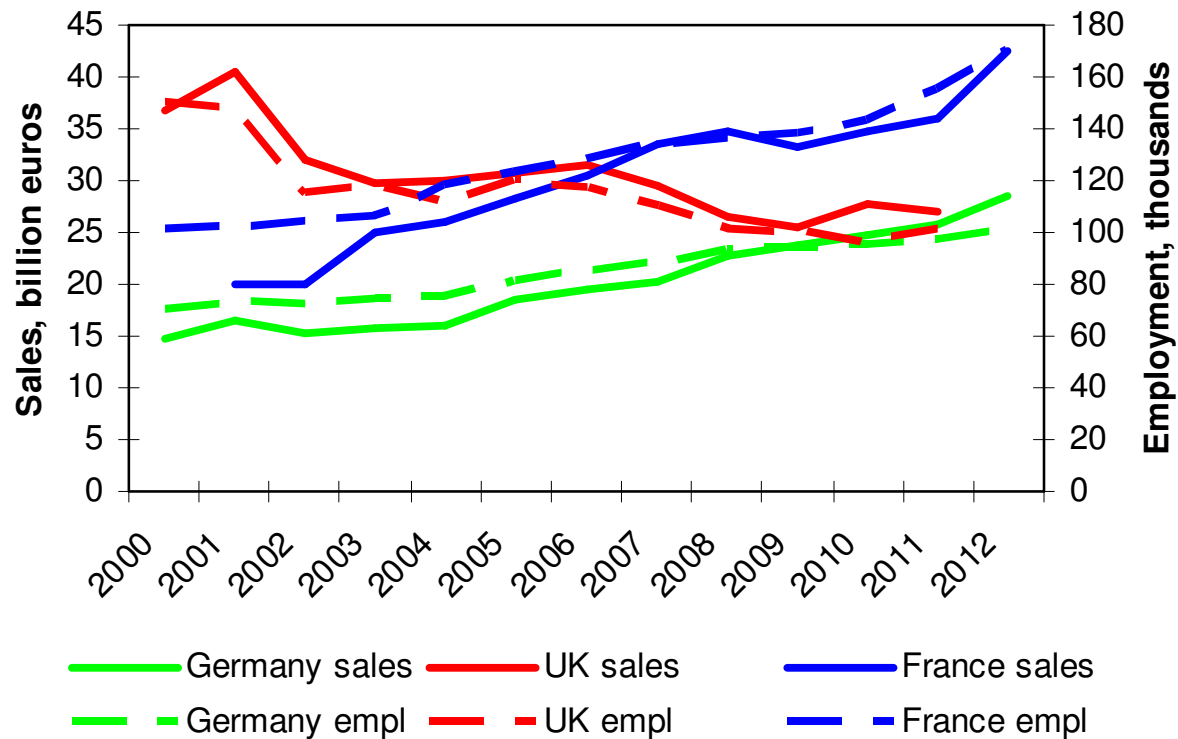
Germany and UK aerospace compared:
employment



The latest comparable figures (2011) reveal that Germany's aerospace industry has sales and employee numbers on a par with the UK's

3. German aerospace is growing faster than UK aerospace

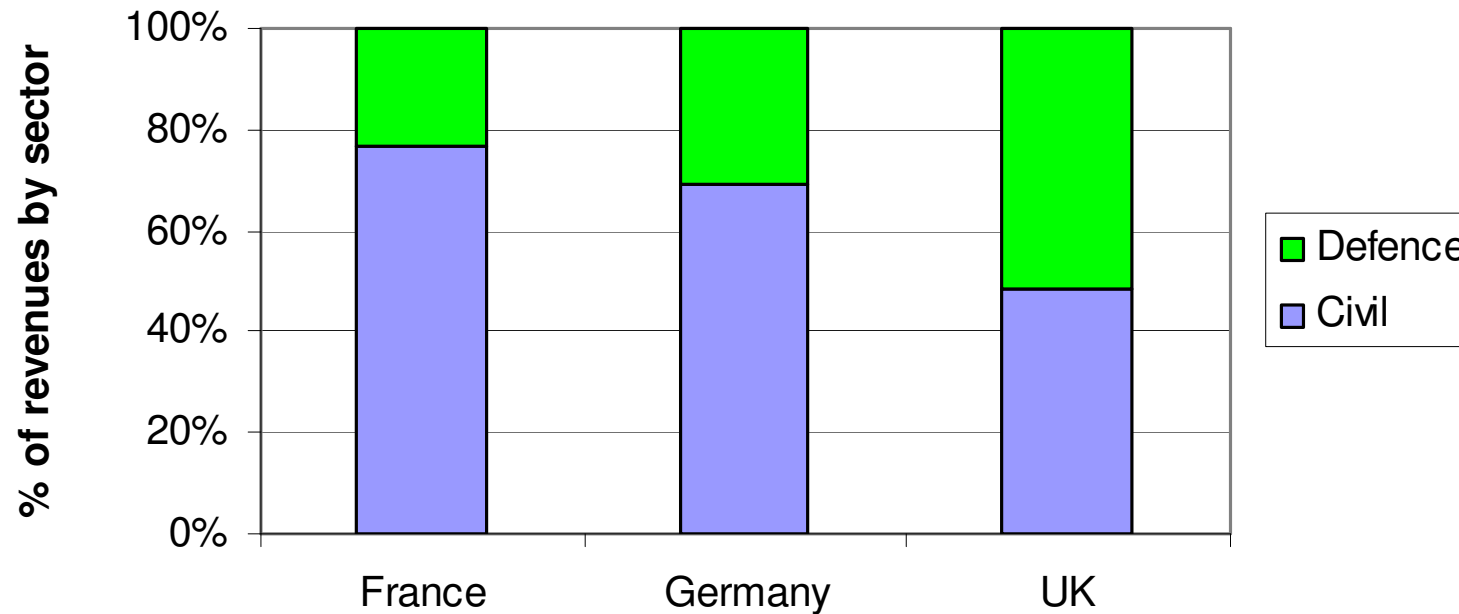
UK, Germany and France aerospace industries



On recent trends, Germany's aerospace industry will soon be bigger than the UK's, in both sales and numbers of employees

4. Germany is focused on the fastest growing civil aerospace markets

UK, France and Germany aerospace industries compared



3/4 of Germany's aerospace industry produces for fast-growing civil aerospace markets, compared to 1/2 in the UK

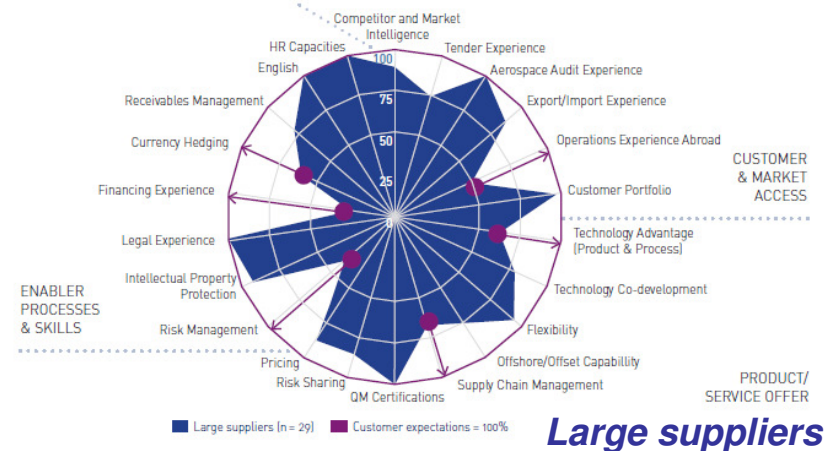
5. Germany's aerospace supply chain faces challenges you may be able to address

- Despite German industry's formidable reputation:
 - A UK aerospace prime's own study reports German quality slightly poorer than UK, although stronger on meeting delivery targets -- and more companies have differentiating technology strengths
 - A recent German study reports mixed strengths and weaknesses even at large aerospace suppliers

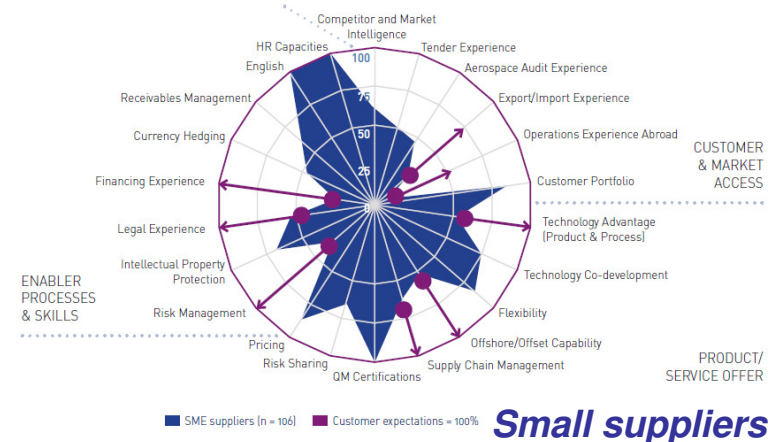
Internationalization and competitiveness of aerospace suppliers. H&Z study, Munich, 2012



THE STRENGTHS AND WEAKNESSES PROFILE OF LARGE SUPPLIERS



THE STRENGTHS AND WEAKNESSES PROFILE OF SMES



Additional information on German aerospace industry



Major aerospace companies in Germany

System Manufacturers

CASSIDIAN EADS Deutschland GmbH

Airbus Operations GmbH

OHB System AG

Eurocopter Deutschland GmbH

ASTRIUM GmbH

Engines

Rolls-Royce Deutschland LTD & Co KG

MTU Aero Engines AG

Equipment

Liebherr-Aerospace Lindenberg GmbH

Diehl Aerosystems Holding GmbH

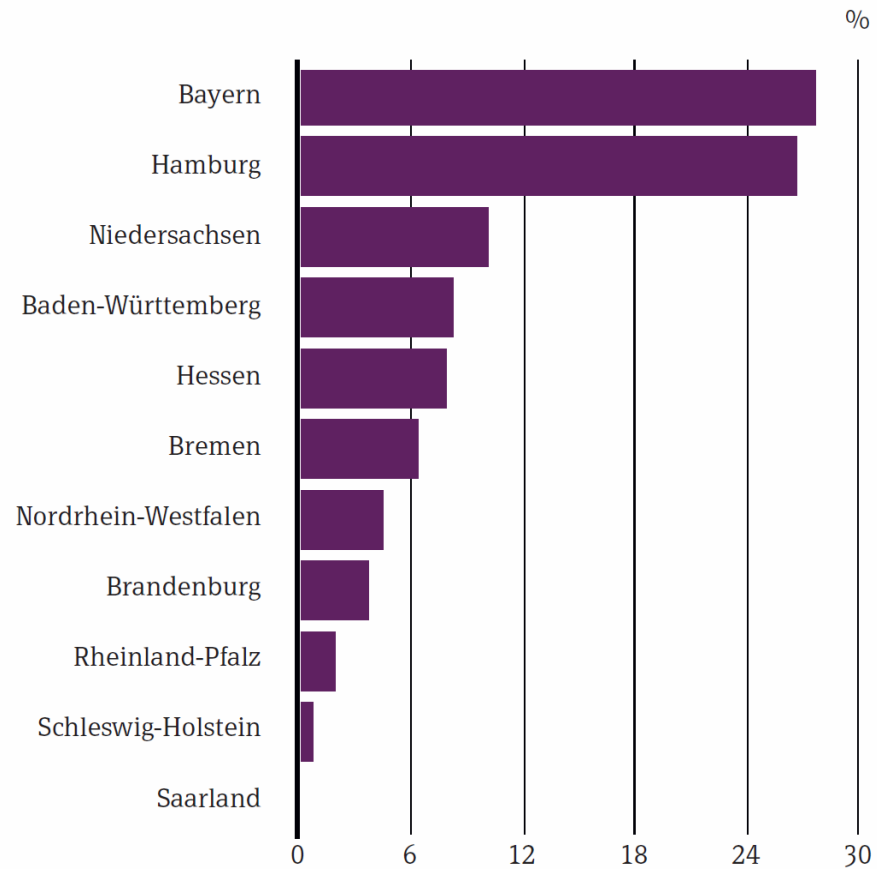
Material and Components

Otto Fuchs KG

ThyssenKrupp Aerospace GmbH



Where the German aerospace industry is located



* keine Werte für die Bundesländer Sachsen, Sachsen-Anhalt, Mecklenburg-Vorpommern, Thüringen und Berlin.



Major centres in descending order

UK Trade and Investment's “do's and don't” of German business

Do's

- Try to communicate in German
- Have trade literature in German
- Be formal – avoid first names until you are invited to do so
- Use academic titles
- Supply samples
- Make sure products meet German standards (check with BSI)
- Meet delivery times
- Quote total prices in Euro
- Product guarantees and after sales service/support are big considerations
- Do your homework – be professional: keep appointments, get straight to the point
- Respond quickly to queries and requests for quotes
- Follow up any information that you send out

Don'ts

- Don't expect too much on your first visit, it takes time
- Don't be late
- Don't use first names
- Don't delay – reply quickly



For more information

- See the latest reports by the Germany aerospace industry association BDLI: <http://www.bdli.de/en/>
- Support and advice is available from UK Trade and Investment's expert on German aerospace:
 - **Katja Schlaug**, Senior Trade Adviser
 - British Consulate-General Munich
 - Moehlstrasse 5
 - D-81675 Munich, Germany
 - Tel: +49 (0)89 21109 135
 - Fax: +49 (0)89 21109 155
 - Email: katja.schlaug@fco.gov.uk
 - Website: www.uktradeinvest.gov.uk
- These slides were developed by the Midlands Aerospace Alliance team of Dr Andrew Mair, Chief Executive and Emma Burgess, Marketing Manager.

