

# Means of Ascent

The Aerospace Growth Partnership's Industrial Strategy for UK Aerospace 2016

**The new AGP strategy was launched at the Farnborough Airshow in 2016.**

## The Aerospace Growth Partnership

The AGP is a partnership between Government and industry. Our goals are to secure our country's current share of the global market and exploit the enormous opportunities for growth. We have generated R&D funding, driven innovation and best practice, and transformed relationships within the industry.

### Success, Opportunity, Challenge

UK aerospace is the **powerhouse of our advanced manufacturing sector**. We are Europe's leading aerospace manufacturing nation and second only to the United States. **Productivity has grown by 39% since 2010 with exports earning £27 billion a year.** The industry directly employs over 128,000 people.

Greener, quieter and more economical aircraft worth over **\$5.5 trillion** will be required over the next 20 years. This is a great opportunity given our leading capability in complex, high value components and emerging technologies.

In order to seize this opportunity, we need to invest even more in the next generation skills, in truly radical technologies and processes and in increased productivity and competitiveness throughout the supply chain.

### Supply Chain: Collaboration and Competitiveness

However, we cannot afford to be complacent. International competition is intensifying and the nature of our strategic challenge has changed since the inception of the AGP. In particular, the UK has a strong position on the brand new Bombardier C-Series aircraft, which will enter service this year. However, the launch of other new narrow bodies has been pushed back to 2030, with Airbus and Boeing developing aircraft derivatives using upgraded engine technologies.

This has limited the scope to pull through other new systems on the aircraft while intensifying the focus on competitiveness of existing products as production rates increase. This competitiveness challenge is particularly acute for companies within the supply chain.

In order to seize this opportunity and overcome these challenges, we need to invest even more in technology, manufacturing capability, competitiveness and skills.

The AGP has:

- Launched the **UK Aerospace Supply Chain Competitiveness Charter**. Prime and Tier 1 companies commit to promoting structured continuous improvement programmes, sharing growth opportunities with suppliers, and supporting dissemination of innovative technology
- Increased supplier involvement in the 'Supply Chains for the 21st Century' (SC21) operational excellence programme - now with 450 corporate participants. **We plan to build on its success via a 'SC21 Competitiveness & Growth' programme to drive increased productivity and competitiveness**
- **Supported expansion of the 'Sharing in Growth' (SiG) intensive performance improvement programme** to over 60 companies, securing some £5 billion of contracts and 10,000 jobs by 2022
- Encouraged innovation in SMEs via the National Aerospace Technology Exploitation Programme (NATEP), supporting 114 collaborative projects in over 250 companies, particularly helping those with no, or limited, R&D experience. **The plan is for NATEP to continue, supported by the Aerospace Technology Institute.**

### Strategic Actions

#### R&D Funding

Government has shown unprecedented commitment to the aerospace sector. R&D funding for 2013-26 now totals £1.95 billion – matched 100% by the industry for a **combined total of £3.9 billion**. This provides the industry with the certainty it needs to invest.

**INNOVATION IS GREAT**  
BRITAIN & NORTHERN IRELAND



**NATEP**



## Technology: Driving Innovation

The Aerospace Technology Institute (ATI) works to fulfil the AGP's technology strategy by launching transformative R&T projects. Founded in 2010, it has awarded £1.2 billion to date to 188 organisations.

ATI invests in facilities and infrastructure needed to secure the UK's leading position, for example, a national centre of excellence in gas turbine combustion systems at Loughborough.

The Institute will:

- Capitalise on the certainty of the investment horizon out to 2026 by developing ambitious programmes on integrated complex technologies for future turbo-fan engines, wings and advanced aircraft systems
- Initiate major cross-cutting projects to plug existing gaps and to master transformational technologies. These include high-value design, the digital economy, additive manufacturing and through-life services
- Strengthen engagement with aerospace companies and research organisations in the UK and abroad.



## Manufacturing: Expanding Capacity and Capability

The AGP's Manufacturing Working Group is tasked with accelerating improvements in productivity. The AGP has:

- Developed a Manufacturing Accelerator Programme to speed the supply chain's adoption of best practice and new technologies
- Improved access to the High Value Manufacturing (HVM) Catapult via 'Reach', a programme encouraging SMEs to improve their manufacturing processes
- Inaugurated an Aerospace Research Centre within the Manufacturing Technology Centre (MTC) at Ansty Park which has expanded the UK's manufacturing innovation capacity

The AGP will:

- Map manufacturing requirements and work with the ATI to promote their adoption across the supply chain
- Grow HVM Catapult and regional capacity to facilitate uptake of best practice, investment in manufacturing productivity and adoption of Smart Digital Manufacturing
- Explore the potential of an Aerospace Manufacturers Collaboration Programme to connect companies looking to adopt best practices with those who have already successfully implemented them.



## Skills: Investing in Talent

The AGP Skills Working Group (SWG) helps aerospace companies identify and invest in skills needs. The AGP has:

- Jointly sponsored 500 Aerospace Engineering MSc bursaries
- Helped employers make the most of the Government's 'Trailblazer' initiative for designing high quality apprenticeships
- Created an Aerospace Employer Ownership Pilot to tackle skills gaps, for example by MSc level training courses
- Supported industry-wide mentoring schemes for women and company-run diversity schemes.

The AGP will:

- Identify and articulate longer-term digital, engineering and management skills needs.
- Create a single Aerospace Industrial Cadets Programme for school pupils in 2016-17.
- Launch the Jon Dennison Bursary Fund to help disadvantaged young people progress their interest in engineering.
- Sharpen careers messaging for pupils and teachers.



## Continued Industry Commitment to AGP

This review outlines the outstanding progress made under the Aerospace Growth Partnership and its plan for moving forward.

The UK aerospace industry will continue to work with Government and academia to implement this strategy and ensure it meets the objectives of creating long-term growth, productivity and skilled jobs for the nation.



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