

Aerospace Economic Indicators

Fourth Quarter 2009



The fourth quarter provided aerospace industry observers with a few surprises – and the biggest surprise was that the surprises were of a positive nature. While the numbers show that the aerospace industry is still far from out of the woods, they do suggest that at least we're on the right trail. Quarterly sales, as reported by the Census Bureau, inched upward, while annual sales were flat. Compared to the double-digit growth the industry had become accustomed to over the past few years, the results are rather unimpressive. But considering the condition of the global economy and compared to the dismal results other manufacturing industries posted, the quarterly and annual results are understandably envious.

Economic Indicators	Quarterly Change			Year-Over-Year Change		Year-End		Annual Change
	4Q 2009	3Q 2009	3Q09 to 4Q09	4Q 2008	4Q08 to 4Q09	2008	2009	2008 to 2009
<i>Values in billions of dollars</i>								
Aerospace Sales	\$63.19	\$59.49	6.2%	\$57.94	9.1%	\$240.68	\$238.65	-0.8%
Profits	\$4.51	\$3.91	15.3%	-\$0.12	N/A	\$14.81	\$16.21	9.4%
Orders	\$50.50	\$40.55	24.5%	\$55.80	-9.5%	\$231.07	\$166.20	-28.1%
Exports: Total	\$21.98	\$17.99	22.2%	\$20.50	7.2%	\$95.08	\$81.17	-14.6%
Exports: Civil	\$18.75	\$15.63	20.0%	\$17.25	8.7%	\$82.26	\$70.50	-14.3%
Exports: Military	\$3.23	\$2.36	37.2%	\$3.26	-0.8%	\$12.82	\$10.67	-16.8%
Trade Balance	\$15.61	\$11.82	32.1%	\$11.95	30.7%	\$57.39	\$56.03	-2.4%
Employment (in thousands)	629.7	639.2	-1.5%	656.5	-4.1%	659.8	644.2	-2.4%

Source: U.S. Department of Commerce, U.S. Bureau of Labor Statistics, and U.S. Census Bureau, *Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations and Manufacturers' Shipments, Inventories, and Orders*.

Note that AIA reports two unique aerospace sales figures from the U.S. Census Bureau. Data included in AIA's Statistic Series 8 (*Balance Sheet and Income Statement for Aerospace Industry*) and this Economic Indicators report are from the *Quarterly Financial Report* (QFR), while the sales figure reported on page 14 of AIA's annual statistical handbook *Facts and Figures* is derived from the *Current Industrial Report* (CIR).

Both the CIR and QFR surveys categorize data according to the North American Industry Classification System (NAICS). The CIR captures aerospace related activities within individual establishments, as identified by NAICS codes. The QFR assigns a single NAICS code to entire conglomerates, based upon the firm's dominant activity. Consequently, the QFR may include non-aerospace-related sales if a diversified firm's predominant line of business is aerospace. Conversely, aerospace sales will be excluded if the firm's predominate line of business is not aerospace-related.