

Aerospace Economic Indicators

Third Quarter 2007



Most aerospace indicators held steady third quarter. Sales dipped by just 0.4% but profits and orders both grew. The U.S. aerospace industry has grown remarkably since this time last year. Sales rose 13% over the last four quarters and profits jumped up 30%. Orders grew faster than sales, indicating a healthy backlog. Employment in the aerospace industry continued to grow this quarter, totaling 648,000 workers.

Economic Indicators			Quarterly	Year-Over-Year		Year-End		Annual
	<i>Values in billions of dollars</i>		Change:	Change:	Totals:	Change:		
	3Q 2007	2Q 2007	2Q07 to 3Q07	3Q 2006	3Q06 to 3Q07	2005	2006	2005 to 2006
Aerospace Sales	\$58.14	\$58.38	-0.4%	\$51.47	13.0%	\$197.23	\$210.19	6.6%
Profits	\$4.92	\$4.86	1.1%	\$3.77	30.3%	\$12.57	\$14.20	13.0%
Orders	\$66.33	\$63.32	4.7%	\$48.23	37.5%	\$184.12	\$213.77	16.1%
Exports: Total	\$23.82	\$23.49	1.4%	\$20.84	14.3%	\$67.43	\$85.26	26.4%
Exports: Civil	\$21.10	\$20.33	3.7%	\$17.14	23.1%	\$57.59	\$71.86	24.8%
Exports: Military	\$2.73	\$3.16	-13.6%	\$3.69	-26.2%	\$9.85	\$13.40	36.2%
Employment (in thousands)	648.0	641.6	1.0%	635.4	2.0%	611.7	631.8	3.3%

Source: U.S. Census Bureau, *Quarterly Financial Report for Manufacturing, Mining, and Trade Corporations* and U.S. Bureau of Labor Statistics

Note that AIA reports two unique aerospace sales figures, which originate from two different U.S. Census Bureau sources. 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.

QFR surveys assign a single NAICS code to entire conglomerates, based upon the firm's dominant activity. Consequently, non-aerospace-related sales may be included 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.