

Press Kit

The French aerospace industry moves into a pivotal year 2025 and calls for stakeholder support

Paris, January 9th, 2025 – As 2025 begins, the French aerospace sector, represented by the French Aerospace Industries Association GIFAS, is preparing to meet unprecedented geostrategic and industrial challenges. As global demand soars, companies in the sector must ramp up production, maintain quality and meet decarbonisation goals, against a backdrop of major geopolitical instability, heightened trade tensions and a reorganisation of international space priorities.

In this context, GIFAS's role in federating the whole industry is more necessary than ever and growing constantly: 485 members (up from 427 in January 2024) are now active, including 76 startups, a number forecast to exceed 100 in 2025 thanks to the StartAir initiative. This growing number of members is one of the tangible signs of the sector's dynamics, coupled with a strong awareness of the vital importance of mutual support.

A sector creating value, employment and innovation, while ramping up

After the Covid pandemic and the successive economic crises, the sector's activity practically returned to its pre-crisis level in 2024.

Recruitment is still one of the sector's main challenges. It should reach the goal of 25,000 new hires in 2024 including 6,000 young people on work-study contracts (almost 25%) and 30% of women, a record that should be further improved on the basis of ambitious objectives that will be unveiled at the next International Paris Air Show.

The sector's suppliers have also demonstrated resilience, even though some still face issues in terms of financing working capital requirements (WCR) and State-guaranteed loan (PGE) repayments. A Banque de France study commissioned by GIFAS to assess the financial health of the sector's suppliers confirmed 7.3% sales growth for equipment manufacturers and 18.7% growth for SMEs. All in all, more than 90% of the supply chain is in good shape.

In response to the need to ramp up and remain competitive, GIFAS has launched several initiatives:

- **"Aero Excellence™"**, an **operational excellence tool** consisting of a universal standard aiming to speed up the industrial maturity of civil aerospace and defence industry suppliers. Initiated at the end of January 2024, the tool has already been adopted by over 60 companies based at more than 80 sites all over France. The recently launched European version, "Aero Excellence™ International", already includes the United Kingdom and Germany.
- **Reinforcing dialogue within the sector** through a group of ten mediators, mutual support between operational divisions and their suppliers, and the creation of the Tikehau Ace Aéro Partenaires 2 fund by Tikehau Capital, to support new capital investments and consolidations.
- **The search for complementary solutions** to support the sector's specific financing needs in the defence business, where bottlenecks remain despite the international context.

Remaining competitive to keep a world-leading position

The French industry is determined to remain the world leader (one of the few to rank as such) given the social, economic and territorial impacts it represents for the country and the whole world in terms of decarbonising aviation. The focus is therefore on various strategic priorities in the medium term:

1. **Decarbonisation and sustainable air transport.** Thanks to France, Europe is currently the world's most technologically advanced region in this field. With Airbus and Safran, it can contribute to decarbonising almost 50% of aviation worldwide. The roadmap is based on fleet renewal, the emergence of new energies and sustainable fuels, optimising operations and technological innovation supported by CORAC. The success of the ECOPULSE demonstrator and the all-electric aircraft *Integral-e* developed by Aura Aero are just two illustrations of the significant progress made.
2. **Adaptation of the sector:** this includes the digital transformation and cyber protection of the supply chain; recruitment and training in an increasingly competitive environment; and investment in capacity.
3. **Simplification of standards,** both European and national, to continue to rival with fierce competition that faces neither the same constraints nor the same regulations.

Necessary support with a view to the International Paris Air Show 2025, a global showcase

Although the aerospace industry is the biggest contributor to France's trade surplus, it is also the most heavily taxed in absolute terms, and the second in terms of its share of added value (29.5%), at €11 billion in 2023. For €1 billion in government support for innovation via the research tax credit (CIR) and CORAC, it generates €70 billion in sales and a trade surplus of €30 billion. In this context, GIFAS makes six recommendations to the new government and Parliament as part of the new Finance Bill.

1. **Maintain CORAC funding at €300M per year through to 2027,** to support the most innovative, collaborative 'low-carbon' projects, to develop next-generation aircraft.
2. **Support the emergence of sustainable aviation fuels (SAF),** which will play a key role in the environmental transition of aviation with a 50% contribution, limit the airline ticket solidarity tax (TSBA) and allocate it to these fuels.
3. **Keep the Research Tax Credit,** which represents €700M for the aerospace industry and is vital for its innovation and competitiveness.
4. **Stabilise taxes and contributions weighing on companies,** from major corporations to SMEs, to foster their growth.
5. **Maintain funding under the multi-year Defence Spending Law (LPM),** with a budget of €3.3 billion in 2025, to support our defence effort and position our companies in international markets.
6. **Loosen the regulatory stranglehold** to unleash the industry's potential for innovation and competitiveness.

This support creates optimal conditions for the sector to rise to absolutely major challenges, primarily the ramp-up and decarbonisation, which are essential to the long-term sustainability of the French industry.

The 55th International Paris Air Show will take place from June 15th to 26th, 2025. This flagship event promises to be exceptional, with 92% of exhibition space already reserved six months ahead of the



show. More than 2,500 exhibitors from 50 countries will be presenting their latest innovations, thereby consolidating the key role that France plays in global aerospace developments. It will particularly see the creation of a Paris Space Hub, in addition to the Paris Air Lab dedicated to innovation and decarbonisation.

"The aerospace sector is a champion industry for France, with over 10 years' worth of orders on its books. It contributes to the country's sovereignty and international outreach. But we shouldn't take its success for granted. Unless it receives strong, long-term support from the government, the industry will not succeed in rising to the unprecedented global challenges it faces today. We must ensure that the aerospace sector remains a strength for France, to build tomorrow's industry, as a key pillar of our economic, technological and security independence", underlines **Guillaume Faury, President of GIFAS.**

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