

Kentucky's Aerospace & Defense Industries

The aerospace product and parts manufacturing industry (NAICS 3364) comprises establishments that make complete aircraft, missiles, or space vehicles; aircraft engines; and aircraft parts and aircraft engine parts.

Kentucky's Standing in Aerospace Manufacturing

- Kentucky ranks 3rd in value produced per worker, among all state where data are available in 2009.
- As of 2008, there were aerospace industry establishments collectively paid an annual average wage of \$56,059 compared to \$47,592 for all manufacturing.
- According to the U.S. Census Bureau's U.S. Exports by Origin State, Kentucky's most valuable commodity exports are manufactured from its aerospace industry facilities.
- Civilian aircraft, engines, equipment and parts account for More than 21% of the value of all state exports in 2008.

Trends

- According to the U.S. Bureau for Labor Statistics, industry employment in KY has increased by 68.47% since 2001.
- The corresponding national industry employment fell from 506,002 in 2001 to 502,892 in 2008, a 0.6% decline according to the U.S. Bureau of Labor Statistics.

Aircraft Engines

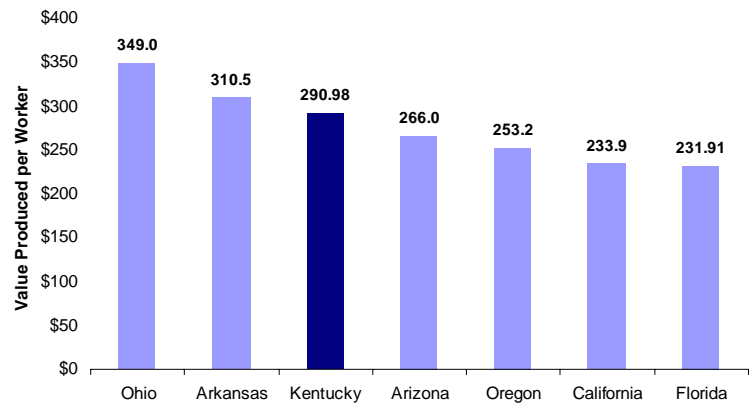
- 34.3% of Kentucky's aerospace workers made aircraft engines or engine parts (NAICS 336412) in 2008 according to the BLS.
- Among surrounding states with available data, Kentucky Ranked 3rd behind Ohio & Indiana in aircraft engine employment, with over 1,000 workers.
- In 2008, this industry had 7 business establishments in KY, which paid an average annual wage of \$62,195.

Notable Companies

The aerospace industry has a strong and growing presence in KY, boasting companies such as UPS, DHL, Belcan, Messier-Bugatti USA, Chautaugua Airlines, Meggitt Aircraft Braking Systems, GE's Aircraft Engine Division and Raytheon.

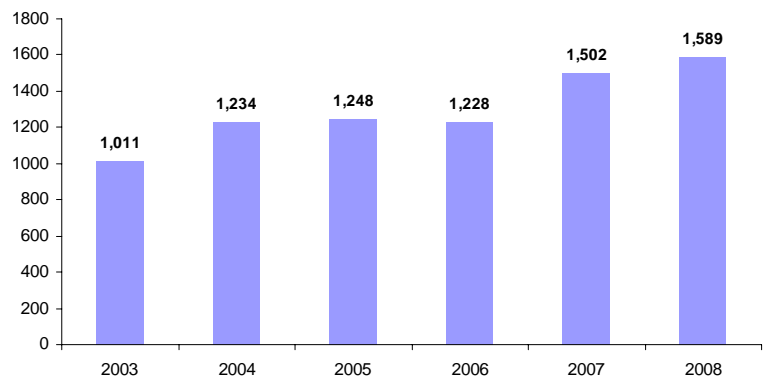
Top States: Value-Added in 2008

(in thousands)



Source: U.S. Census Bureau, 2008 Annual Survey of Manufacturers

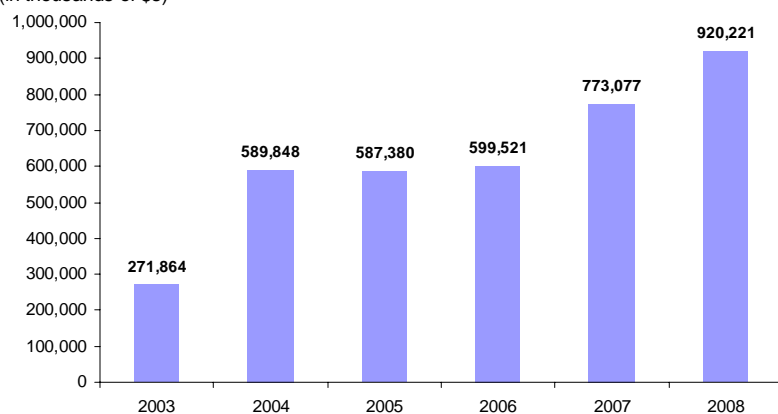
Kentucky Aerospace Employment Trends



Source: U.S. Census Bureau, 2008 Annual Survey of Manufacturers

KY Value of Shipments Trends

(in thousands of \$s)



Source: US Census Bureau, 2008 Annual Survey of Manufacturers

Kentucky's defense industry includes companies producing goods and providing services to the U.S. Department of Defense (DoD). The Federal Procurement Data Center collects Procurement data on the state and county of work performance.

- In 2009, Kentucky's economy benefited from \$6.08 billion in DoD procurement spending.
- The state ranked 16th in the aggregate value of DoD contracts, with 2.06% of the U.S. total, and ranked 12th in per capita defense procurement spending.

Top Counties

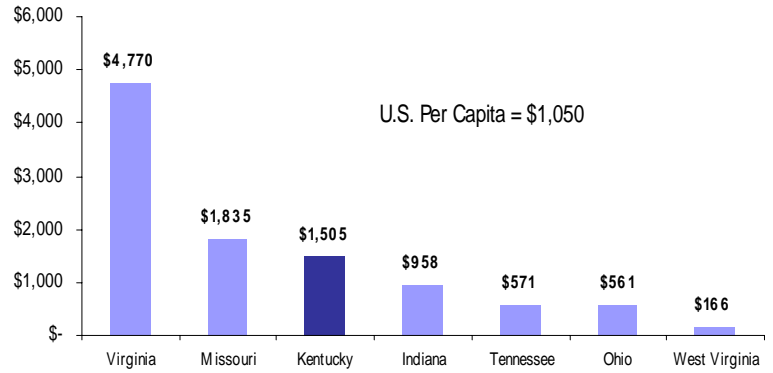
- Jefferson, home of **UPS, General Electric & Humana**, led all counties in 2009 with contract awards exceeding \$4 billion.
- Christian, home to Fort Campbell military base receives \$633 million in contracts.
- Fayette, the headquarters location of **L-3 Communications**, ranked third with \$562 million in contracts.
- Hardin ranked 4th, and has experienced rapid growth due to activity at the Fort Knox military base and work performed by companies such as **DynCorp**.
- In Madison, **HDDS Inc.** and **Betchell Parsons Bluegrass** have relatively large establishments.

Recent Projects & Investment Amounts

- **Artemis Electronics LLC**
(2009) \$6,327,000
Provide component level electronic repair services for the support of the US military
- **Blackhawk Composites Inc**
(2009) \$1,580,000
Advanced aerospace composite manufacturing
- **Jefferson Louisville Raytheon Company**
(2010) \$3,089,000
Naval ship self-defense weapon systems overhaul, repair & manufacture new ship self defense systems
- **McCreary Stearns Outdoor Venture Corp**
(2008) \$1,600,000
Military tent systems and accessories
- **D A E Industries**
(2008) \$1,333,500
Manufactures engine stands for all types of commercial and military jet engines
- **BAE Systems Inc.**
(2009) – BAE Systems, Inc., Louisville, KY, has been awarded a \$131.4 million contract from the U.S. Defense Logistics Agency to supply modular lightweight load-carrying equipment (MOLLE) items for the U.S. Army. The expansion could bring over 200 jobs to Louisville.
- **Kentucky Bioprocessing**
(2010) – Kentucky Bioprocessing, Owensboro, KY, has been awarded a \$17.9 million federal investment award from the Defense Advanced Research Projects Agency within the DoD.

2007 Per Capita DoD Contracts

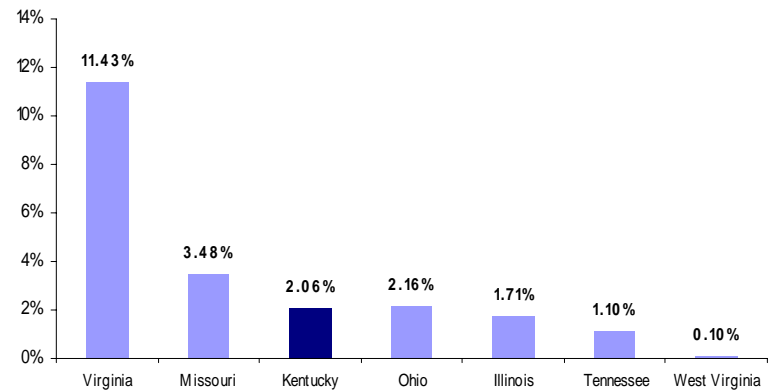
Kentucky & Surrounding States



Source: Federal Procurement Data System

2007 Percent of DoD Contracts

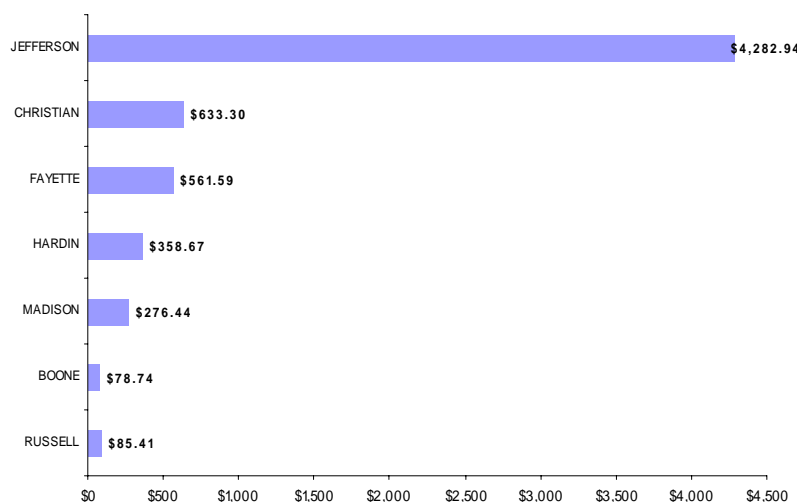
Kentucky & Surrounding States



Source: Federal Procurement Data System

Top Counties: DoD Total Contracts 2009

(in millions of \$s)



Federal Procurement Data System - New Generation