

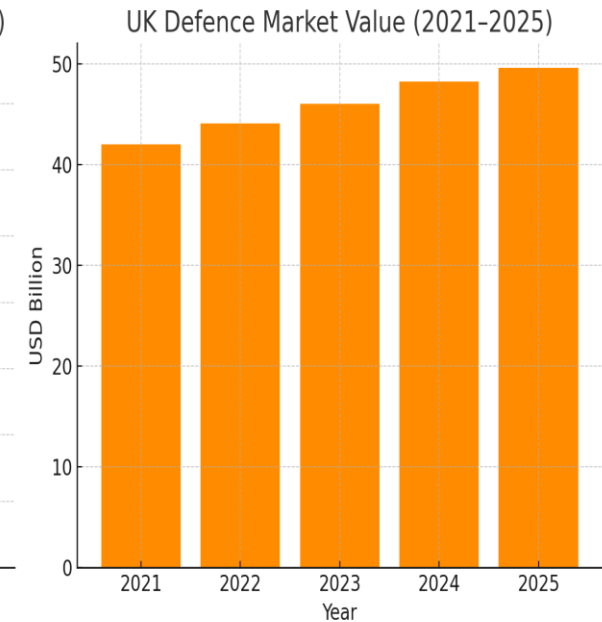
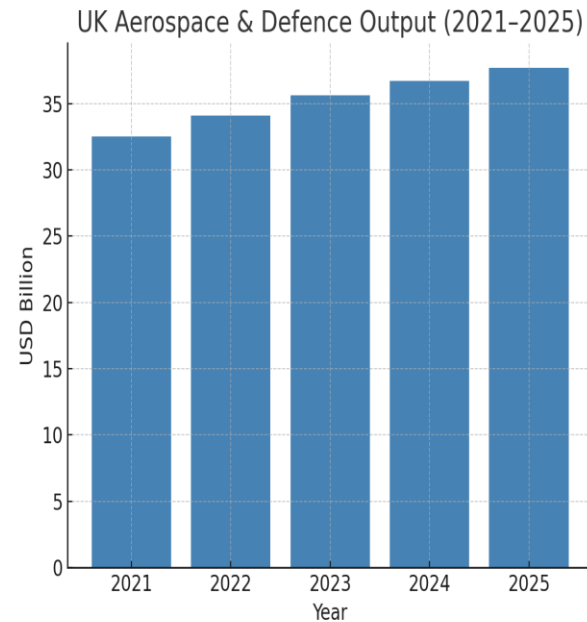
Market Overview- Aerospace & Defence

The UK aerospace and defence sector remains vital in 2025, with nearly \$38 billion in output and rising government investment. Projects like the Global Combat Air Programme and advances in drone and laser tech highlight the industry's innovation focus. As defence spending grows, the sector continues to drive exports, jobs, and national security.



Economic Contributions & Employment

In 2025, the UK aerospace and defence industry is projected to generate \$37.7 billion in output, with the defence sector alone valued at \$49.6 billion. The industry supports around 430,000 jobs across aerospace, security, and space, with productivity levels 42% above the national average. As defence spending increases and modernization accelerates, the sector continues to be a key engine of economic growth and innovation.



Current Trends & Challenges

Increased Defence Spending:

The UK government plans to raise defence spending to **2.5% of GDP by 2027**, with an ambition to reach **3% in the next decade**, focusing on rearmament and modernization efforts.

Technological Advancements:

Significant investments are being made in emerging technologies, including drones and laser weapons, to revolutionize the UK's defence capabilities.

Global Combat Air Programme (GCAP):

The UK is collaborating with Japan and Italy on the GCAP, aiming to develop a sixth-generation fighter jet, with the headquarters established in the UK.

Workforce Development:

The industry faces challenges in attracting and retaining skilled talent, prompting initiatives to enhance training and career development opportunities.

Supply Chain Resilience:

Efforts are underway to improve supply chain visibility and resilience, ensuring the future of aerospace and defence technologies.

Source: [UK Increases Defence Spending by 2027](#)

