



## 2016 Top Markets Report **Aircraft Parts** Country Case Study

### Australia

Though Australia is the 52<sup>nd</sup> largest country in the world in terms of population, it is consistently one of our top 20 markets for aerospace exports. Australia is roughly the size of the continental United States, which makes aircraft a necessary mode of domestic travel transportation, and the country has about as many aircraft per capita as the U.S. does. In April 2015, Australia’s civil registry had 15,275 aircraft, 86 percent of which were imported. Australia is an especially attractive market for SMEs and companies looking to expand their export relationships beyond North America.

Overall Rank  
**8**

Australia is one of the United States’ closest trading partners and one of our closest strategic partners. 2015 was the 10<sup>th</sup> anniversary of the U.S.-Australia Free Trade Agreement, and the United States and Australia signed a Defense Trade Cooperation Treaty in 2010. Sixty-three percent of the aircraft on Australia’s civil aircraft registry were made in the United States.

According to the Australian government, Australia’s aviation and aerospace industry had about 830 firms with a total of 14,000 employees in 2013. These firms are spread across manufacturing, maintenance, research and development, and training. Given the wide variety of aerospace activity in Australia and its distance from the United States, U.S. manufacturers may need guidance to find opportunities for their products.

#### Overview of the Aviation and Aerospace Manufacturing Market

Australia had 15,275 aircraft on its civil registry in April 2015. The median aircraft on that list was manufactured in 1980, and over 10,000 were manufactured prior to 1995. The list can be broken down into the following airframe types:

Airship	1
Glider	1,002
Manned Free Balloon	386
Motor-Glider	256
Power Driven Airplane	11,511
Rotorcraft	2,119

The largest category, power driven airplanes, has over 200 distinct manufacturers listed (discounting name variants listed as distinct manufacturers such as The Beechcraft Corporation and Hawker Beechcraft Corporation). Top manufacturers include the following:

CESSNA AIRCRAFT COMPANY	3,740
PIPER AIRCRAFT CORP	1,891
AMATEUR BUILT AIRCRAFT	1,326
BEECH AIRCRAFT CORP	664
THE BOEING COMPANY	250
DE HAVILLAND AIRCRAFT COMPANY	246
AIR TRACTOR INC	164
MOONEY AIRCRAFT CORP	159
CIRRUS DESIGN CORPORATION	142
AUSTER AIRCRAFT LTD	133

Note that the third largest category of fixed-wing aircraft is “amateur built”. Nearly 62 percent of aircraft actually manufactured in Australia are amateur built. The largest OEMs are GippsAero (formerly Gippsland, now owned by Mahindra) and a hot air balloon manufacturer named Kavanagh.

Qantas is by far the largest airline in Australia (19.8 million passengers in 2015 compared to Virgin Australia’s 5.6 million). It also owns two subsidiary brands, QantasLink and Jetstar. Other airlines include Regional Express, Virgin Australia, and its two subsidiaries, Virgin Australia Regional Airline and Tiger Airways Australia. Australian airlines served 146 million passengers from 2013-14. There are over 100 airports in Australia, but only 40 airports handle more than 100,000 passengers in a year. Most of the commercial passengers transit through Sydney, Melbourne and Brisbane.

There are 2,119 helicopters on Australia’s registry. Half of these were made by Robinson Helicopter Company. The list below represents 94 percent of all helicopters on the registry.

AgustaWestland (all iterations)	67
Bell (all iterations)	367
Airbus (including Eurocopter)	273
Amateur Built	101
Kawasaki	44
Robinson	1,077
Sikorsky/Schweizer	39

According to the government of Australia, the domestic aerospace industry generated \$4.4 billion (Australian) in revenue from 2012 to 2013. Commercial aircraft parts, military aircraft and parts, and maintenance each represented around 30 to 33 percent of this revenue with the remainder derived from light aircraft and parts. Many aircraft manufacturers in Australia are suppliers to non-Australian aircraft programs. Boeing’s largest workforce outside of the United States is in

Australia, and its employees are disbursed at various facilities throughout the country. Australia is also a partner on the F-35. Eleven aircraft repair stations in Australia are certified by the FAA. Qantas’s main maintenance facilities are in Sydney and Melbourne. More information can be found on the [Australian Trade Commission](#) and [Aviation/Aerospace Australia](#) website.

Australia is a major customer of U.S. defense products, including the F-35A, which will eventually replace all F/A-18Fs currently in service. Recent other aircraft ordered by the Australian military include the P-8, the CH-47F, the EA-18G and the C-27J. The Australian military operates aircraft produced by a variety of countries in Europe and from Israel.

### Challenges and Barriers to Aircraft Parts Exports

The Australian aircraft fleet is diverse and old, representing only limited opportunity for those who produce parts for some aircraft models, especially newer aircraft models. Companies should explore [the Australian aircraft registry](#) in detail for specifics. The registry is downloadable in Microsoft Excel and can be sorted in multiple ways, including manufacturer, age, and aircraft and engine type.

Though Australia is a close defense partner, U.S. companies should conduct regular due diligence on export regulations applicable to their specific product and end user.

Australia is generally an easy market to navigate, with legal protections and business practices similar to those of the United States. The time difference is manageable, particularly on the east coast, though geographic distance may deter some firms.

### Opportunities for U.S. Companies

There are opportunities for aircraft parts manufacturers in multiple product lines, though clearly the largest category of aircraft is fixed-wing general aviation aircraft, particularly those made by Cessna, Piper and Beechcraft.