

## News Release

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### **Deloitte: New commercial aircrafts sales driven by increased travel in the Middle East**

*- Deloitte: Commercial subsector production grew 6.1 percent in 2014 but expected to slow to 3 percent growth in 2015*

*- Deloitte: Increase in UAE and Saudi Arabia defense spending amid global defense sector revenue decline*

*-Deloitte: Commercial aerospace industry slowing down, but record backlogs continue*

**22 June, 2015-** Global aerospace and defense companies added US\$12.7 billion in revenues in 2014 according to a [Deloitte](#) study of the top 100 global aerospace and defense companies. Although revenues in the commercial aerospace subsector increased by US\$23.7 billion in 2014, the strong growth was partly offset by revenue declines in the defense subsector, which experienced a US\$8.2 billion decrease in revenue from 2013 to 2014.

The analysis entitled [2015 Global aerospace and defense sector financial performance study](#), found that the commercial aerospace subsector in 2014 set new records for sales totaling 2,888 orders; a 6.1 percent increase in deliveries to 1,352 planes; a 14.4 percent growth increase in backlogs reaching a record high of 12,175 aircraft; and revenues reaching US\$314.9 billion. The primary drivers of new commercial aircraft sales include increased travel demand, especially in the Middle East, India, and China, as well as replacement of obsolete aircraft with new fuel-efficient models.

The story is not so bright, however, for the defense subsector with a 2.2 percent revenue decline in 2014. "Led by the largest country defense industry, the U.S. has lost close to 168,000 defense jobs since 2010 and revenues of approximately US\$11.5 billion in the same period", said Tom Captain, Deloitte Global Aerospace and Defense Sector Leader.

However, defense spending is increasing in several areas of the globe. The UAE, Saudi Arabia, India, South Korea, Japan, China, Russia, and other affected governments have and are expected to continue to increase purchases of next generation military equipment.

From a regional viewpoint, the study found that aerospace and defense companies headquartered in the United States accounted for US\$408.5 billion of the global aerospace and defense sector revenue, while European companies accounted for US\$222.8 billion in 2014. "Europe is also a critical geographic region representing nearly 33 percent of total global aerospace and defense revenues," said Captain.

In terms of the outlook for 2015, Captain expects global aerospace and defense industry revenues to grow by 1.5 percent, a slowdown from 1.9 percent global industry growth in 2014.

To view the whole report go to: <http://bit.ly/1GA1pVX>

Notes to Editor

**Methodology:**



Deloitte analyzed the 2014 financial performance of 100 major global and US aerospace and defense companies. Key financial indicators analyzed include sales revenue, operating earnings, and operating margins, obtained through public company filings and press releases.

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**About Deloitte:**

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