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MEDIA RELEASE

Phase 2 of Aerospace Manpower Study reveals multi-prong approach to attraction and retention for the aerospace industry

- *In order to ensure adequate manpower for the aerospace industry, the industry needs a multi-prong approach to attract qualified school-leavers to join the industry; re-skill and attract employees from other industries; and reduce attrition of current industry workforce.*
- *The industry needs to work more closely with IHLs to define its sourcing strategy for key jobs and ensure alignment of students prepared to join the industry as technicians after graduation, versus in other roles after further studies.*
- *The industry should expand its recruitment drive to attract recruits from other industries and non-traditional sources, through targeted outreach programs and to provide the necessary support and re-skilling for mid-career recruits to settle into the industry.*
- *Companies in the industry should use a Total Rewards approach to articulate a compelling employee value proposition aimed at retaining different employee segments.*

Singapore, 27 April 2011 – Riding on its successful inauguration in 2009, the Aerospace Supplier eXchange (ASX) 2011 returns for its 2nd edition this year. The event was officially launched today.

The ASX will run from 27-29 April 2011 at Level 4 of the Sands Expo and Convention Center, Marina Bay Sands, Singapore, which will become the showground of the niche aerospace suppliers sector from across the region.

Charles Chong, President of the Association of Aerospace Industries (Singapore) (AAIS), said: “The ASX provides a much-needed platform for our aerospace suppliers to showcase their best products and services. The ASX aims to become a key platform that will not only enhance the capabilities of our suppliers, but also to be a testimony of the quality and standards of the entire supplier base in Singapore to the rest of the world.”

“We also envision that the future of the ASX will gear towards becoming a multi-sector aerospace event for the region, bringing together the best players from, for example, aerospace suppliers of both the commercial and defense sectors, and aviation security on a single platform.”

Aerospace Manpower Study

Last year, the AAIS Aerospace Human Capital Steering Committee (AHCSC) initiated the Aerospace Manpower Study to better understand the human capital needs of the industry. The study, commissioned by the AAIS under the auspice of the AAIS AHCSC, and conducted by Mercer, is one of the first manpower landscape studies done in any industry locally. Continuing this effort, findings of Phase 2 of the Aerospace Manpower Study were revealed at the ASX 2011 Opening Ceremony.

Following the release of Phase 1 in 2010, which outlined the current state of manpower affairs in the industry and diagnosed the future state of manpower in the aerospace industry, Phase 2 revealed more detailed findings and strategies to address manpower gaps and development of the next generation of aerospace professionals.

The study incorporates a broad range of perspectives – including students and other prospective employees, existing employees, aerospace industry employers and HR professionals, Institutes of Higher Learning, and relevant industry and government bodies – to provide a comprehensive view of the attraction issues and retention challenges, so as to develop effective manpower strategies for the industry.

“The Aerospace Manpower Landscape Study launched in September last year resulted from the need to understand individuals and HR practices within the industry. Phase 2 was commissioned thereafter, and I am pleased to report that the findings highlight a number of critical touch points that the industry should tend to in their efforts to attract, recruit and retain manpower,” said Gary Nutter, 2nd Vice President, AAIS, and Projects Sub-Committee, AHCSC.

Attracting qualified school-leavers to join the industry

Phase 1 of the study revealed that in order to cater to the industry’s growth aspirations, a key priority for the industry is to step up recruitment for technician jobs to meet the necessary demand.

A major source for such jobs has been students studying aerospace-related courses in polytechnics and ITE, and prima facie, the number of graduating students seems sufficient to meet future industry demand.

The study found that the perception of the industry amongst both groups of students is extremely positive. However, more than 60% of polytechnic student respondents indicated that they would pursue further studies, and more than 30% indicated that they are considering doing so. This suggests that while there is an ample supply of polytechnic graduates, many of them are unlikely to join the industry as technicians needed to fuel industry growth. Amongst ITE students, an estimated 70% of graduates from aerospace courses actually join the industry, with a smaller percentage pursuing further studies.

The study recommended that the industry work more closely with IHLs to define its sourcing strategy for key jobs and ensure alignment of students prepared to join the industry as technicians after graduation, versus in other roles after further studies. The study also suggested that the industry provide more structured internship programs for students who are keen to join the industry as technicians. These would serve a dual purpose: to expose students to the realities of the job and at the same time educate them on the array of opportunities available.

Re-skilling and attracting employees from other industries

While school-leavers are a key source of manpower for technician roles for the aerospace industry, there is potential to seek manpower from other industries, particularly those experiencing cut-backs. In fact, there are examples of mid-career recruits from other industries who have successfully made the switch to the aerospace industry. And, the stability of the aerospace industry in different economic cycles is one factor that makes the industry attractive. However, the study indicates that employees in other industries are often not aware of the opportunities available in the industry. And, they appear to have a less positive view of industry stability than warranted.

The study recommended that the industry expand its recruitment drive to attract recruits from other industries and non-traditional sources (e.g. women), through targeted outreach programs and to provide the necessary support and re-skilling for mid-career recruits to settle into the industry. To that end, increasing awareness of the aerospace WSQ framework will highlight an alternate pathway for locals seeking to enter the aerospace industry.

Reducing attrition of current industry workforce

While workforce churn within the aerospace industry is greater than attrition to other industries or other countries, it is not a desirable state for companies as it results in loss of experience, skills, and productivity, as well as increased recruitment and ramp-up costs.

The study shows that different staff groups value different components of a company's value proposition to its employees. For example, the topmost consideration for Gen Y employees in choosing a job is career potential and development, so initiatives to assist them in continuing their studies (such as scholarships or permanent day-shifts for those attending evening classes) are effective retention mechanisms.

Understanding its own workforce profile and generational preferences will help companies design effective initiatives aimed at retaining different employee segments. And, while salary and bonus are important, existing employees surveyed also indicated that learning and development, career progression, and work-life balance are critical. Companies that do not use a Total Rewards approach to articulate a compelling employee value proposition invariably find that the only lever they are able to use to retain employees is compensation.

Memorandums of Understanding

Besides the release of Phase 2 of the Aerospace Manpower Study, the AAIS also signed a number of Memorandums of Understanding (MOUs) during the ASX 2011 Opening Ceremony:

- 1) The Performance Review Institute (PRI) – the Nadcap¹ certification body – to have its Singapore office established with the AAIS to facilitate the promotion, development and implementation of manufacturing process and product assessments and certification services for the purpose of adding value, reducing total cost, and facilitating relationships between aerospace subscribers and suppliers in Singapore.

- 2) Technology provider Hewlett Packard – to identify and develop cloud solutions for the Aerospace MRO and Manufacturing industries within Singapore, under the auspice of the AAIS Applied Research & Development Centre (ARDc).

¹ Nadcap: National Aerospace and Defense Contractors Accreditation Program

- 3) SIM Global Education – to develop seminars, workshops and courses for aerospace professional development.
- 4) Singapore Aerospace Integrated Manufacturing Consortium – Five Singapore-based companies, namely Advanced Manufacturing Corporation, New Century Aerospace, ATC Coating, NCT Technology and Micro Technics Engineering are signing an MOU as alliance partners to form this aerospace consortium. The consortium aims to become a strategic partner to global aerospace companies, by providing a one-stop integrated “box-build assembly” solution. This is achieved through the aggregation of the different capabilities of the Singapore companies along the aerospace manufacturing value chain. IE Singapore supports this consortium under its International Partners (iPartners) programme, which facilitates and supports the development and go-to-market phases of the consortium. It is the first aerospace consortium under the iPartners programme.

The consortium is formed with the aim to become strategic supplier (to major Global Aerospace Buyers) to provide a one-stop integrated supply chain solution. This will be achieved through the aggregation of the different capabilities of the companies along the aerospace manufacturing value chain.

The strategic partnerships will result in the implementation of these initiatives, amongst others, that will enhance the capabilities of the aerospace industry in Singapore in various areas.

The Aerospace Supplier eXchange (ASX) 2011

The ASX is a regional conference and exhibition that features a comprehensive showcase of the latest technologies, solutions and support capabilities of aerospace suppliers who service the vibrant aerospace industry. Showcasing their best products and services, this biennial event is an excellent business platform that meets the vital sourcing needs of both Original Equipment Manufacturers (OEMs) and Maintenance Repair and Overhaul (MRO) companies.

The ASX is co-rganised by the AAIS and IIR Exhibitions.

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taking place at the same time. This biennial gathering of the industry presents an ideal one-stop platform for the whole industry to network and for business exchange, said Ms Rosalind Ng, Managing Director (Asia), IIR Exhibitions” .

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ASX Conferences

A vital component of the event, the ASX 2011 Conference, organised by the AAIS in partnership with best-in-class aerospace consultancy firm, AeroStragety Ltd, will take place concurrently with the Exhibition. The first two days of the conference will be supplier-centric, while Day 3 will focus on Asian MRO Perspectives. Industry professionals and practitioners will have the opportunity to hear from influential industry leaders. Among the topics to be discussed during the conference are: aerospace trends and developments, green aviation, business strategy, procurement, aerospace supply chain, new technologies, innovation and productivity, and many others.

In particular, Day 2 of the conference will also feature the **AeroSuppliers Briefing™**, where several key aviation procurers will speak on their present and future requirements, needs and business know-how – critical information for suppliers who wish to potentially partner with companies within the aerospace industry as subcontractors.

ASX B2B Meetings

The ASX Business-to-business (B2B) Meetings, titled Global-Asia Trade Exchange (GATE) Aerospace 11 is also an important component of the event. An International Enterprise (IE) Singapore’s initiative, GATE Aerospace 11 is a business matching platform for one-to-one meetings between global aerospace original equipment manufacturers (OEMs) and top tier suppliers, and Singapore-based companies. It allows key procurement decision makers to better understand Singapore companies’ capabilities, especially in the areas of precision machining, heat and surface treatment,

avionics, casting and sheet metal fabrication. The GATE Aerospace meetings are jointly managed by the AAIS and IE Singapore.

Mr Reginald Wee, IE Singapore's Group Director of Technology Business said, "Competition is driving aerospace MNCs from the US and Europe to look for cost effective quality aerospace parts and components. We are seeing more such companies come to Asia for solutions, and they are keen to meet Singapore companies which have excellent track records in partnering aerospace global players. For GATE Aerospace this year, IE Singapore will be facilitating over 120 meetings for our companies."

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About the Association of Aerospace Industries (Singapore)

The Association of Aerospace Industries (Singapore) or "AAIS", a non-profit organisation, is a leading industry association for the Aerospace Industry in Singapore that represents companies from the Maintenance, Repair and Overhaul (MRO) sector, Aerospace Manufacturing sector, Research and Development / Training sectors and suppliers for civil air transport and aerospace defence. The AAIS endeavours to provide leadership by facilitating strategies in innovation competitiveness, technical standards and accreditation. It also serves as a forum for members to discuss and elevate relevant issues to policy-makers and stakeholders.

Within the AAIS, the AAIS AeroResource Centre focuses on building industry and manpower development capabilities, with the aim of enhancing the competitiveness of the aerospace industries and the capabilities of aerospace suppliers. It is the one-stop avenue for the aerospace industry's growth needs and a launch pad for suppliers to establish themselves in the industry and overseas growth markets. Please visit www.aais.org for more information and news about the AAIS.

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Note to Editor: Mandarin Terms

Association of Aerospace Industries (Singapore)
新加坡宇航业协会

AAIS Aerospace Human Capital Steering Committee (AHSCS)
宇航业人力资本指导委员会

Mr Charles Chong, President
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主席

Dr Aloysius Tay, Chief Executive
郑万福
局长