



## MEDIA RELEASE

### **Aerospace Manpower Study offers first glimpse of the industry's manpower landscape in Singapore**

- *More than 6,300 direct employees to be hired in the next 5 years to meet manpower demands.*
- *Aerospace industry's salary scales one of the highest amongst the engineering faculty.*
- *AAIS Steering Committee to look at opportunities to work with other industries with excess manpower to re-skill their workers to suit aerospace industry needs.*

**23 SEPTEMBER 2010, SINGAPORE** – The Association of Aerospace Industries (Singapore), or the AAIS, revealed findings of its Aerospace Manpower Study at the Singapore AeroIndustry Annual Meeting today. The event included an industry dialogue with Guest-of-Honour Mrs Lim Hwee Hua, Minister, Prime Minister's Office, Second Minister for Finance and Second Minister for Transport.

The study, commissioned in June this year by the AAIS under the auspice of the AAIS Aerospace Human Capital Steering Committee, and conducted by Mercer Consulting, is one of the first manpower landscape studies done in any industry locally. This is in line with the Association's theme and driving vision for the year 2011: the *Year of the AeroWorkforce*.

The study was well represented by the industry, with data and respondents from companies from the aerospace and its related sectors representing some 90% of workers within the industry.

The study examines the demand and supply for 11 key engineer and technician positions, also known as direct workers, in the local aerospace industry. The study also includes a comparison of compensation packages for aerospace industry professionals with others in similar industries, and the transferability of skills from other industries into the aerospace industry.

## **FOR IMMEDIATE RELEASE**

Mr Charles Chong, President of the AAIS, said, “the findings of the study indicate that apart from Licensed Aircraft Engineers (LAEs), there is also a need to focus on promoting the engineering and technician professions to meet the future manpower needs of the industry.

“Our study reveals that attrition for the aerospace industry is 8.6%, which is lower than the all-industry average of 9.5%. It is also notable that employment in the aerospace industry has remained stable during uncertain economic times, with minimal retrenchments. Together with the industry offering competitive salary scales, these are plus points for those considering a career in aerospace.”

### **Direct Manpower Needs of the Industry**

In order to support growth and cover attrition, survey respondents project an increase in direct manpower requirements of about 6,300 employees for the jobs studied from now till 2015. In the same period, about 375 engineers, 2,600 technicians, and 700 LAEs and inspectors will be required.

Based on projected headcount to support growth and cover attrition, key jobs to focus on are General Technicians, Inspectors, Special Process Technicians, and CAT B LAEs. These are amongst the most difficult to recruit as well.

### **Pay Competitiveness**

The aerospace industry is amongst the top 5 industries in 2009 for base pay and total cash for professionals and technicians. When compared against comparable jobs across all industries, the aerospace industry pays above the overall industry average in terms of annual total compensation.

In fact, the aerospace industry is second only to the chemical industry for all engineer positions except design engineers, where pay is the highest. The aerospace industry also has the highest variable bonus component as compared to other industries. This trend is the same for technicians, CAT B LAEs and inspectors.

### **Labour Supply for the Industry**

While 375 fresh engineers are required to cover growth and industry attrition from 2009 to 2015, 83 aerospace engineers are expected to graduate every year from the Nanyang

## FOR IMMEDIATE RELEASE

Technological University alone. Taking into account leakages to other industries, attracting a fraction of other graduating engineers should suffice to meet demand.

This implies the need to attract potential candidates and retain existing ones to address the manpower demand for engineers.

However, looking at the large number of technicians required, there may be a need to look at alternate labour pools. This can include re-skilling workers in other industries in large supply to be aerospace technicians.

The AAIS Aerospace Human Capital Steering Committee will be looking at ways to convert these technicians via the Workplace Skills Qualifications framework.

### **Embracing Call to Engage Older Workers**

In line with the AAIS' aim to promote the *AeroWorkforce*, the Association is encouraging those who have retired from the aerospace industry to come forth to provide consultancy and training services via the AAIS.

Embracing the call to engage workers in their golden years, the AAIS believes that these workers, who possess a wealth of knowledge and expertise, will be able to contribute significantly to the growth of the industry.

### **Industry Growth**

Apart from covering human capital issues, the study also addressed respondents' expectations of industry growth. The survey respondents represent about 85% of the industry's total revenue.

Respondents indicated that they are bullish about industry growth, with total revenue expected to grow 33% or at a 4.8% Compound Annual Growth Rate (CAGR) from 2009 to 2015, from SGD7bn to SGD9.3bn.

The manufacturing sector is also expected to grow by 4% to 9% in the next 5 years. This is in line with previous studies conducted by the AAIS with regards to the value chain.

Also touching on productivity, the study shows that an overall 13% growth (or 2% CAGR) in productivity is required from 2009 to 2015 to support the projected revenue growth given

## FOR IMMEDIATE RELEASE

hiring estimates. This is aligned with the national target of 2% to 3% productivity improvements.

###

### **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.sg](http://www.aais.org.sg) for more information and news about the AAIS.

### **For media enquiries, please contact:**

Melissa Koh  
Head, Corporate Communications  
Association of Aerospace Industries (Singapore)  
Tel: +65 6787 5227  
Mobile: +65 9771 2210  
E-mail: [melissa@aais.org.sg](mailto:melissa@aais.org.sg)

### **Mandarin Terms**

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

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

Mr Charles Chong, President  
张有福  
主席

Dr Aloysius Tay, Chief Executive  
郑万福  
局长