

Impact of Covid-19 Pandemic on Aerospace and Defence Industry Survey by Allied Market Research

Aerospace and Defence to Face Dire Consequences Of The Covid-19 Pandemic - Survey by Allied Market Research

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EINPresswire.com/ -- The outbreak of the COVID-19 has hampered several industries in the matter of mere months. No industry has been able to escape the ramifications of the current pandemic. While some industries have benefitted from the pandemic because of the nature of products they offer, others have suffered heavily and some

beyond the ability to recover. What's more, several industries around the world have been trying to deal with the situation by searching for novel solutions and taking the help of innovative technologies to carry on with their business and maintain their foothold in the market. The aerospace and defense sectors are no exception.

The [aerospace and defense industries](#) have felt the impact of the COVID-19. The aerospace and defense industries are one of the most important sectors in a country. For instance, the Indian defense industry has a strength of over 1.3 million personnel, making it the world's second-largest military force. Moreover, it has the world's largest volunteer army. Over the years the sector has witnessed extensive growth. However, the global aerospace and defense industry has witnessed several severe consequences of the Covid-19 pandemic.

Effect of COVID-19 on the aerospace and defense industry

The Indian aviation sector contributes around \$72 billion to the national GDP. With the effects of the pandemic keeping in mind, the market may experience a drastic decline in the revenue generated through the aerospace sector. Moreover, the [International Civil Aviation](#) has estimated a 2% reduction in the international passenger capacity for India. The companies



dealing with the manufacturing of products required by the aerospace and defense industries have felt a negative impact of the pandemic. In addition, the U.S. defense industry is likely to be affected by the events taking place outside the U.S. as some of the U.S. military partner nations have been facing challenges in maintaining military equipment.

Furthermore, business development in the defense industry may become strenuous as business development activities such as business sales and marketing are greatly affected as the current situation does not bode well for business development in this industry. Military exercises are another facet of business development. They help to expose operators and decision-makers of prospective buyer nations to foreign equipment. Due to the pandemic, military forces are involved to help reduce infection rates by taking disciplinary actions.

Furthermore, Rolls-Royce, a British multinational engineering company has significantly reduced all activities, except essentials within its UK aerospace facilities. Moreover, the European government has imposed passenger and flight restrictions. All flights to and from high-risk regions have been temporarily banned by several nations. What's more, some nations have completely sealed off their borders to foreign nationals. However, Europe has performed some returnee flights to bring back its citizens stuck in other nations. Flights of some airlines have been temporarily suspended while others are running on low capacity. As a measure of safety, European airports have installed over 600 sanitizer dispensers across the airport. All shops and restaurants have been shut down except for a few distributing takeaway foods and pharmaceutical products. Moreover, only card payments are being accepted. The cleaning procedures and frequencies have been enhanced to maintain cleanliness.

Effect of COVID-19 on the companies dealing with aerospace and defense

With a downfall in the aerospace and defense industry, the manufacturing for aerospace and defense equipment had to deal with drastic repercussions. Aircraft makers faced cash-flow and production challenges. The pandemic has affected the entire supply chain, weakening the base that supports complex manufacturing in the aerospace sector. The longer the lockdown lasts, the more airlines will declare themselves as bankrupt and the pandemic may cause irreparable changes in the industry.

Moreover, defense contractors are likely to experience a slowdown in demand as the government is now seeking to control expenses. The defense companies may also experience supply chain disruptions due to a lack of finance leading to a halt in production. However, it may not face severe consequences similar to the aerospace industry as with the changing situation every day, the government may ease procurement processes.

The companies related to both aerospace and defense will hamper in terms of market share if they fail to make timely deliveries or investments in new products. The key suppliers of the industry are likely to face a financial crisis and may require support. However, with the help of conventional measures the industries can be revived.

Measures to revive the aerospace and defense industry

Firstly, it is important to work on and identify new supply chain strategies that would fuel the growth of the industry. Post pandemic, reviving the aerospace industry will be a major task.

Secondly, it will be necessary to maintain and sustain the workforce of highly skilled people as the companies cannot afford to spend on improving the skills of unskilled workers. After facing a financial crisis, the companies would only be able to spend on necessary activities.

Moreover, the key players of the market who are vulnerable to bankruptcy need to be identified and supported. The aerospace and defense industries may not have to completely alter their approach to risk management. However, these companies might have to revise their risk assessment models. Furthermore, the CEO of UK [defense giant BAE Systems](#), announced that the UK leadership teams around the world would be focused on taking required actions to protect the health of employees and their families.

It is no secret that the aerospace and defense industries will experience repercussions of the pandemic. However, what matters more is how the industry deals with the situation. The most important aspect is to support the companies that are vulnerable to the consequences of the pandemic and to uplift them in every way possible. The defense industry may not face dire consequences; however, the aerospace industry has been hit hard. With proper safety measures, the aerospace industry can be expected to grow at a slow pace.

COVID-19 Impact on Aerospace and Defence Industry Blog:

<https://blog.alliedmarketresearch.com/aerospace-and-defence-to-face-dire-consequences-of-the-covid-19-pandemic-688>

Commercial Aviation Industry Research Report -

<https://www.alliedmarketresearch.com/aerospace-and-defence/commercial-aviation-market-report>

Defence Industry Research Report - <https://www.alliedmarketresearch.com/aerospace-and-defence/defence-market-report>

Space Industry Research - <https://www.alliedmarketresearch.com/aerospace-and-defence/space-market-report>

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