4 From Specialization to Specification

From Bordeaux to Toulouse

The French aeronautical industry has experienced important changes over the last forty years. Its historical leader, the State, retires from its role as organizer of the sector and contributes, at the same time, both to the appearance of a civil aeronautical manufacturer, Airbus, leader today in its market, and to the integration of a part of the large European groups within aeronautics and space travel through EADS. Over a period of decades, though formed for nationalistic reasons, an integrated European industry was built. EADS is now capable of competing with the American firms in both civil and military markets and sell products that are competitive technologically at acceptable prices, while at the same time covering the R+D expenditures and the important deadlines of the investment results.

After presenting the changes in the basic data of the sector, the consequences of the interactions between sellers and buyers and the strategies of the institutional actors within the territories of Bordeaux and Toulouse will be analyzed.

4.1 Basic Data of the Aerospace Sector

4.1.1 The Ill-Defined Boundaries

According to the INSEE, the Aeronautics and Aerospace Industry (IAS) groups together the set of activities defined by the E13 code divided into three branches, as shown by the table 4.1.

This definition, focused at the heart of the activity, does not value one of the basic changes of recent years sufficiently, that is the part of the electric and electronic systems in the construction of a plane or of a satellite[1]. It reduces, therefore, the growing importance of the suppliers of the newly embodied electrical and electronic systems.

[1] Corresponds to sector 332A (navegation aid instruments) of the APE code.

Table 4.1. Aeronautics and aerospace construction: Main results in 2003

	Sectors	Number of firms	Cash in 2003	Volume of business Tax free (Mill. €)	Exports (Mill. €)
353A	Aircraft motor construction	21	23.862	5.346	3.019
353B	Aircraft cell construction	84	49.919	12.222	7.717
353C	Launching pad and spaceship construction	6	7.071	2.091	1.021
E13	Aeronautics and aerospace construction	111	80.852	19.659	11.757

Source: SESSI

For the French Aeronautics and Spatial Industries Group (GIFAS), the boundaries of this industry are wider. They involve all firms specialized in the study, development, implementation, marketing and maintenance of the civilian and military aeronautics and space programs and materials including the equipment goods, the subsets and the associated computer programs.

Table 4.2. Aeronautics and aerospace construction in 2003

Number of firms		Paid Workers		Volume of sales (millions of €)	
INSEE	GIFAS	INSEE	GIFAS	INSEE	GIFAS
111	221	80.852	101 500	19.659	24.911

Source: SESSI and GIFAS (Activity Report, 2004)

On the other hand, due to the imperatives of national sovereignty and more generally, the history of the appearance and development of this industry, to the “aeronautics and aerospace industry” (IAS) is often added the qualifier “of defence” in order to designate the strong dual character of this activity between both the civilian and the military sectors (Carrincazeaux and Frigant 2004 and C. Serfati 1996).

In 2003, the IAS registered a volume of sales (tax free) of around 25 billion Euros, which represents an increase of 55% in 10 years.