

Jeff's NC aerospace pyramid for 2nd edition of white paper

Defining the Aero/Space Economy: Industry vs. Clusters vs. Economy

The first step toward understanding the state's potential for developing an Aero/Space Economy is to understand the distinction between three important economic levels. These levels set the stage for determining North Carolina's current performance throughout the entire Aero/Space Economy.

Figure 1 illustrates these levels and the dynamic transition across levels from narrow aerospace industry to aerospace-related clusters to broad Aero/Space Economy.¹ It also summarizes the specific measures discussed and used in the following sections the paper.

¹ The various reports and presentations cited in this white paper, and the insights drawn from them, also demonstrate this transition.

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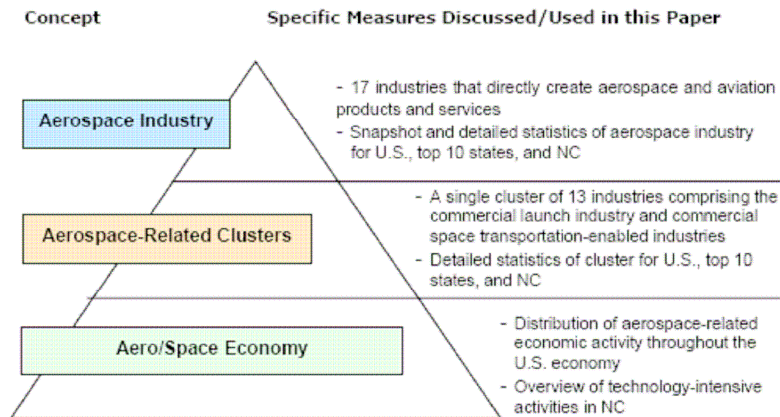


Figure 1. Defining Aero/Space Economy: Industry, Clusters, and Economy

The first level is the *aerospace industry*. Currently, there is no consensus on the definition of the aerospace industry, and most definitions depend on the needs of the particular study being conducted. For example, the Aerospace Industries Association exclusively examines the manufacturing segments of the aerospace industry, while the Air Transportation Association focuses only on the air transportation industry. For the purposes of this white paper, we use the following definition, provided by the Commission on the Future of the United States Aerospace Industry (Walker 2002):

Aerospace Industry: Representing a narrowly defined core of the larger civilian and commercial aerospace and aviation cluster in the United States, the aerospace industry includes only those industries that directly create aerospace and aviation products and services and excludes those components of the military that are engaged in aerospace and aviation-related activities. It is defined by the following 17 codes in the North American Industry Classification System²:

MANUFACTURING

Aerospace Products and Parts

336411 Aircraft manufacturing

336412 Aircraft engine and engine parts manufacturing