NEW ZEALAND
FOREIGN AFFAIRS & TRADE
Manatū Aorere

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France's Aeronautics Sector: Launch Pad for Kiwi Businesses

MARKET INTELLIGENCE REPORT

Overview

With sales totalling nearly €78 billion in 2024 and over a thousand companies active in the sector, the aeronautical industry is a major pillar of the French economy and offers significant opportunities for New Zealand companies active in this sector. The industry consists of global leaders such as Airbus, Dassault, Safran and Thales, as well as smaller suppliers providing aircraft components and avionics. Regionally-based industry clusters offer opportunities for Kiwi businesses and researchers to integrate into this dynamic, R&D intensive ecosystem. Industry priorities include: maintaining international competitiveness, technological innovation, supply chain resilience, and decarbonisation.

Report

Sector Overview

France boasts the world's most comprehensive aeronautics industry after the United States, covering the full spectrum of capabilities from the design and production of civilian and military aircraft to helicopters and unmanned aerial systems. The sector represents 4.3% of France's GDP, with over a thousand companies employing some 220,000 staff. The sector generated nearly €78 billion in sales in 2024, split between the civilian (€58 billion) and defence (€20 billion) sectors. With exports accounting for 82% of its €78 billion turnover, the industry generates France's largest trade surplus – estimated at €29 billion.

More than 25 New Zealand aviation and space companies are currently active across Europe, offering capabilities and technologies across a broad range of aviation-related subsectors. These include composites, telecommunications, air traffic control systems, aircraft manufacturing, defence and space, and airport operations (mobility, security, systems, and e-mobility). This year, for the first time, New Zealand Trade and Enterprise led a New Zealand business delegation to the Paris Air Show. Ten New Zealand companies participated, reflecting a strong and growing interest in the sector.

Key industry players

The key industry players tend to be located around the three main hubs of Toulouse/Bordeaux (aviation and space), the Paris region (defence, business aviation and space) and South-East France (helicopters and software).

Aircraft manufacturers

The world's largest commercial aircraft manufacturer, **Airbus** operates across the entire industry range, producing corporate jets, military aircraft, unmanned vehicles as well as helicopters and satellites. Other significant players include **Dassault Aviation**, whose revenue from military aircraft and corporate jets totalled €6.2 billion in 2024, and **ATR**, the leading global manufacturer of regional turbo-propellers (€1.2 billion of sales in 2024).

Aircraft components, engines and electronic systems

Primarily known for providing aircraft and helicopter engines and propulsion systems for the space industry, **Safran** generated sales of €27.3 billion last year. Other suppliers include **Daher** (goods and services to the aircraft industry and a manufacturer of small turbo-propellers) and **Latecoere** (aerostructures and interconnection systems for the aeronautics industry).

In the digital space, **Thales** supplies two thirds of the global aircraft fleet with its navigation solutions and in-flight entertainment systems, and is the global leader in air traffic management systems. An offshoot of Dassault Aviation, **Dassault Systems** supports aerospace companies and other industries with its 3D digital tools.

Industry bodies

New Zealand companies might want to consider the potential commercial and networking opportunities offered through membership of GIFAS (French Aerospace Industries Association), the leading industry body bringing together 519 aerospace companies. In addition to organising the biennial Paris Air Show and representing the industry's interests, GIFAS provides various services to connect larger companies with smaller suppliers and conducts programmes to upskill and scale-up its members. GIFAS is a founding member of the Aero Excellence™ International standardisation programme, which aims to strengthen the operational, environmental excellence and cyber security of the sector to improve its competitiveness.

A clustered regional approach to the Aeronautics eco-system

The French aeronautics industry is clustered around several locations—particularly Toulouse and Paris. This offers companies strategic advantages such as access to a highly skilled workforce, proximity to major manufacturers and suppliers, enhanced collaboration opportunities, and efficient supply chain logistics. The clusters also foster innovation through research centres and government-backed initiatives, while regular trade shows and EU support further boost visibility, networking, and competitiveness in the global aeronautics and aerospace markets.

The three main clusters

1. Aerospace Valley, the largest cluster, located in South-West France around Toulouse and Bordeaux. Aerospace Valley's more than 800 companies specialise in the aeronautical, space and drone industries. Current areas of focus are: artificial intelligence and data economy; structures, materials and processes; embedded and communicating systems; propulsion and embedded energy and solutions for the factory of the future.

2. ASTech Paris in the Paris region. ASTech Paris benefits from Paris' dense network of business and top academic institutions. 41% of the French aerospace industry's R&D is carried out in the Paris region. With more than 220 members, ASTech's focus centres on business aviation, space transportation, and propulsion systems and equipment.

3. SAFE Cluster in South-East France. The SAFE Cluster's 456 members work across the aeronautical, space, defence and security industries. Current priorities are: industrial and territorial resilience; sustainable mobility and autonomous systems; digital security and transition; and environmental and energy performance.

Trade Shows

France hosts several prominent aeronautics trade shows, including the world-renowned biennial Paris Air Show at Le Bourget, which serves as the key global platform for aerospace innovation and industry networking. 2,400 exhibitors across the civil, defence and space sectors and over 300,000 visitors took part in the last air show held in June 2025. The show focused on: space, drones, sustainable air transport, quantum computing and AI cybersecurity, defence and pioneers. The next Paris Air Show will be held on 14-20 June 2027.

Another major air show is the AEROMART Toulouse international aerospace trade show, held biennially in Aussonne near Toulouse, which serves as a dynamic platform for industry professionals to showcase innovations, explore sustainable aviation solutions, and engage in high-level B2B matchmaking. Scheduled for 1-3 December 2026, the next AEROMART Toulouse trade show will focus on innovation and decarbonisation and have a stronger B2B focus than its Parisian counterpart. Eight-hundred exhibitors and 5000 participants took part in the last show.

Opportunities for New Zealand

The increase in France's defence budget which is set to double to €67.4 billion between 2017 and 2030. The 2025 defence budget includes major procurement plans for next generation aircraft carrier, new frigates, and advanced air defence systems, and has the potential to significantly benefit SMEs and subcontractors in the aeronautics supply chain. Additionally, government-backed initiatives often include support mechanisms to help smaller firms scale-up and integrate into global supply chains.

Scaling-up production and addressing supply chain disruptions are the industry's most pressing needs. Airbus' backlog of orders represents eleven years of production at current capacity. GIFAS' Aero Excellence™ programme, which is open to international suppliers, seeks to strengthen the resilience of the sector's supply chains. This offers potentially large untapped opportunities for New Zealand companies.

Further down the line, the French industry is investing heavily to meet the sector's goal of decarbonising aviation by 2050. Technologies being investigated include fuel efficiency and alternative fuels (sustainable aviation fuel, e-fuels and green hydrogen). Cooperation is underway in New Zealand with Airbus, one of the six members of the Hydrogen Consortium launched at Christchurch Airport in 2023, though Airbus has now pushed out the commercial roll-out of ZEROe hydrogen-powered aircraft beyond the initial 2035 timeline, citing market conditions.

The French aviation sector offers significant opportunities for New Zealand companies, thanks to a large, mature and thriving ecosystem, with large manufacturers driving a dense network of smaller suppliers. Since the end of the COVID era, the sector has been grappling with supply chain disruptions and examining ways to decarbonise the aviation sector. These areas offer New Zealand companies opportunities to integrate into the aeronautical supply chain. Many of the larger French aeronautical companies are also active in the European space sector, with the two industries tightly intertwined.

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