



Federal Ministry
for Economic Affairs
and Energy

Aircraft Equipment Supplier Programme

*Funding towards the development costs
for aircraft equipment suppliers*



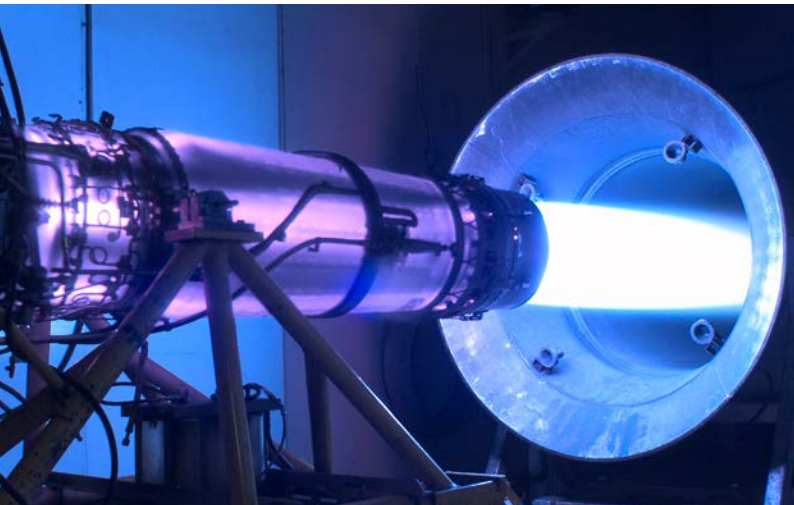
Aircraft equipment suppliers in Germany

A competitive aircraft industry is of strategic significance for Germany as a high-tech hub. It is a driving force for innovation, benefitting many other sectors, and stands for added value and high-quality jobs.

With their broad range of skills, German **aircraft equipment suppliers** are the backbone of an industry that is growing worldwide. Suppliers from Germany – from system providers to small specialised providers – are highly sought-after partners for international aircraft manufacturers.

Research, development and innovation is key to sustainable success

In order to maintain the current good situation and generate additional growth, it is now more important than ever to make targeted investments in **research and development**. Suppliers need **innovative technologies** for aircraft, engines and MRO services (maintenance, repair, overhaul) to be able to contribute to an **efficient and environmentally friendly air transport system** for the future.





This is all the more true in view of the growing international competitive pressures which German suppliers are also facing.

Federal aviation funding

One major objective of the German federal government's aviation strategy is to strengthen the **international competitiveness** of the aviation industry located in Germany by funding research and technology. The federal government is actively helping companies in this sector to bring new technologies to market and thus to benefit from the global growth of the aviation industry.

Its instruments include the **Aviation Research Programme (LuFo)** and the **Aircraft Equipment Supplier Programme**. Both funding programmes aim to safeguard and expand technological expertise and thus jobs in the entire value added chain in Germany in the long term. They focus on support for **small and medium-sized enterprises**, which have to finance high development costs and cope with substantial programme-related risks.

The Aircraft Equipment Supplier Programme

In the context of the **Aircraft Equipment Supplier Programme**, the federal government is partially funding **research and development** projects of the supplier industry, including engine manufacturers, by granting interest-bearing, partly conditionally repayable loans to contain development risks.

The loans are issued by the KfW on behalf of the federal government. A maximum of 40% of the development costs incurred in Germany are eligible. **15/40** are **unconditionally repayable** and **bear interest under market conditions**, while **25/40** are granted as an **interest-bearing, conditionally repayable loan (i. e. depending on the number of items)**. When a contract is concluded, a number of items (reference number) is specified to stipulate when the loan must be repaid in full. The federal government provides a full guarantee for this to the KfW. If the programme is terminated or if fewer airplanes are sold, the federal government assumes the risk of default.

For questions regarding the conditions and the application procedure, please contact Division IVD2 of the Federal Ministry for Economic Affairs and Energy.



The Aircraft Equipment Supplier Programme at a glance

Projects eligible for funding

Research and technology development projects of aircraft equipment suppliers

Eligible applicants

Companies with a permanent establishment or subsidiary in Germany

Key preconditions

- Development of innovative products and processes
- Development, market and programme risk borne by company
- Likelihood that the development results can be lastingly exploited

Type and amount of funding

Interest-bearing, partly conditionally repayable loans

Amount: a maximum of 40% of the eligible costs incurred for the development project in Germany, of which

- 15/40 unconditionally repayable, bearing interest under market conditions
- 25/40 as interest-bearing, conditionally repayable loan (depending on the number of items)

Applications

Applications can be submitted in writing at any time, by **31 December 2023** at the latest, to the Federal Ministry for Economic Affairs and Energy:

Bundesministerium für Wirtschaft und Energie

Referat IV D 2

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Further information

<https://www.bmwi.de>

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