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IMPACT AND IMPLICATIONS OF COVID-19 ON KOREA'S AEROSPACE INDUSTRY

**Abstract**

As COVID-19 spread in late 2019, it affected our lives and many other areas. Many industries have been impacted and changed by COVID-19. Among such industries, what changes have occurred in the aerospace industry, especially space-related industries, excluding the air transportation industry? This study examines how pandemics such as COVID-19 have affected Korean aerospace industry. This study began with research questions: how the pandemic situation such as COVID-19 has affected the Korean aerospace industry? and what changes has it brought about? We also investigated what the current situation is like as we gradually emerge from the COVID-19 pandemic. To this end, we conducted a survey on the performance of approximately 400 aerospace companies that are members of the Korea Association for Space Technology Promotion (KASP), focusing on financial performance. In order to conduct research that takes into account the characteristics of each company in the aerospace industry, the surveyed companies were classified based on their position in the upstream and downstream on value chain and the size of the company. Through an empirical study targeting Korean aerospace companies classified in this way, we investigated how companies on the value chain differ in various performances, including financial performance, in the COVID-19 pandemic situation. We studied the changes before and during the ongoing period of COVID-19, and the current situation. As a result, it was found that individual companies on the value chain showed different performance in a pandemic situation such as COVID-19. Through this study, we were able to obtain implications regarding the impact and changes COVID-19 had on Korea's aerospace industry, taking into account the characteristics of companies. And we were also able to learn how companies in the Korean aerospace industry were affected and changed by pandemic situations such as COVID-19. In the future, it may provide implications when establishing government policies or individual companies' corporate strategies to respond to pandemic situations such as COVID-19.