



Aerospace Industries  
Association of Canada

L'Association des industries  
aérospatiales du Canada

# The Federal Aerospace Review and the Ontario Aerospace Sector

## Perspective of the Aerospace Industries Association of Canada

### Canada 20/20 Conference

Maryse Harvey, VP Public Affairs  
Toronto, June 7, 2012

## Items of Discussion

- § AIAC at a glance
- § Overview of the Canadian Aerospace Industry
- § The Aerospace Review
  - § Background, process, mandate and objectives
- § Implications of the Review for the Canadian Aerospace Industry
- § And for the Ontario Aerospace Industry

# AIAC Mission Statement

- § AIAC is the national voice of Canada's aerospace industry. Our mission is to understand, build consensus and provide leadership on aerospace policy issues of interest to the industry.
- § We also work to increase Canada's profile on the world stage by communicating our air and space accomplishments and by promoting Canadian aerospace companies in foreign markets.

# The Canadian Aerospace Industry

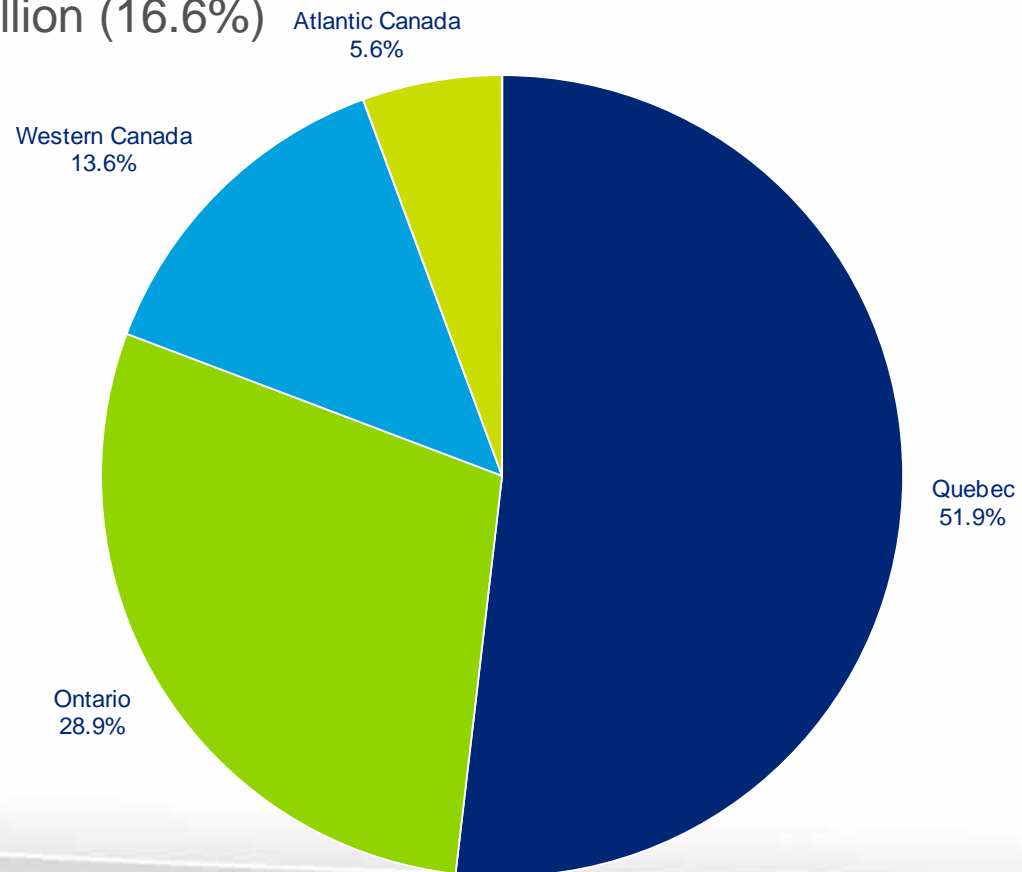
- § Approx \$22 Billion in annual revenue : \$40 B indirect/induced
- § World leaders in high-tech industry : 5<sup>th</sup> largest worldwide
- § 80% of revenues generated from exports
- § More than 80,000 jobs from coast to coast: 150,000 indirect/induced
- § R&D investment : \$1.5B one of Canada's leaders
- § Potential for growth: \$3.2 Trillion (demand for 30,000 aircraft) over 20 years

# Regional Distribution

§ **Total industry revenues: \$22.2 billion**

§ Civil sector: \$18.6 billion (83.4%)

§ Military sector: \$3.6 billion (16.6%)



# Industry Messages

- § The aerospace industry is an important contributor to the Canadian economy
- § Offers outstanding potential for economic growth and wealth creation for Canadians from coast to coast
- § Increasing global competition
- § Imminent need for competitive policy/program framework

## Budget 2011 Commitment

*“The Government will conduct -- through a consultative process involving the Aerospace Industries Association of Canada and their member firms -- **a comprehensive review of all policies and programs** related to the aerospace/space industry to **develop a federal policy framework** to maximize the competitiveness of this export-oriented sector and the resulting benefits to Canadians.”*

THE NEXT PHASE OF CANADA'S ECONOMIC ACTION PLAN

A LOW-TAX PLAN FOR JOBS AND GROWTH

June 6, 2011, page 86.

# Announcement February 2012

## § Review Head

§ The Hon. David Emerson

## § Advisory Committee

§ Jim Quick, Sandra Pupatello  
and Jacques Roy

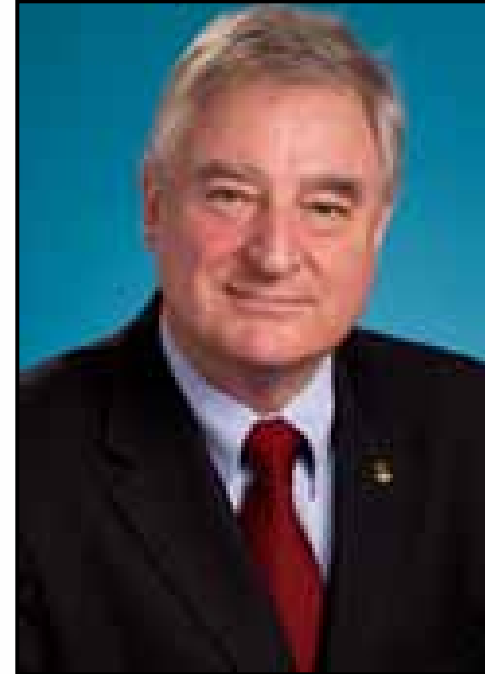
## § Working Groups

§ Industry led through the AIAC

## § Secretariat

§ Arms length

§ 12 FTE



# Aerospace Review Working Groups

- § Technology Development, Demonstration and Commercialization
- § Space
- § Market Access and Development
- § Aerospace Related Public Procurement
- § Small Business and Supply Chain Development
- § People and Skills

# Working Groups Mandate

- § Review Head working groups
- § Reports to be finalized by August 2012
- § Focus on long-term competitiveness of the industry
- § Provide advice to the Review Head through and actionable, evidenced-based recommendations on programs, policies and industry priorities

# Ontario representation in the Review Process

## § Review Advisory Council

- § Sandra Pupatello

## § Working groups

- § Pat Mann, Patlon Enterprises
- § Larry Fitzgerald, Honeywell
- § Tony Burgess, TDM Technical
- § Peter Gartenburg, L-3 Communications
- § Iain Christie, Neptec
- § P&WC, Bombardier, CMC Electronics, MDA
- § 40 percent of working group representation
- § OAC reps on every working group

# Implications of the Aerospace Review for the Ontario Aerospace Sector

Review to provide:

- § The elements of a long-term strategic framework
- § Right set of tools and R&D instruments to ensure long-term competitiveness (i.e. increase R&D intensity)
- § Greater, more strategic use of the means and opportunities at industry's disposal (e.g. procurement)
- § Right environment and adequate resources: skilled human resources, access to markets, access to financing.

# Conclusion

- § Growth of Canadian industry depends on development of capabilities all across the nation
- § Imperative to increase R&D intensity
- § Collaborative approach – not a zero-sum game
- § Expected global growth allows for enhancement of strong, dynamic Ontario cluster
- § Review to provide a strong base on which to build on
- § Need for greater cooperation among Fed and provincial governments – resources and tools must be complementary
- § Need for greater collaboration among the regions

