

Canadian Aerospace Industry Posted Increased Revenues, Employment in 2011

Farnborough (United Kingdom), July 9, 2012 – The Aerospace Industries Association of Canada (AIAC) today released performance results for Canada's aerospace industry in 2011:

- Industry revenue reached \$22.4 billion, representing a 6.7% increase from 2010.
- Aircraft, aircraft parts and components remained the largest revenue segment, totalling \$11 billion and 49% of overall revenues.
- 87,200 workers were directly employed by the aerospace industry, representing a 7.6% increase from 2010. More than 19,000 of these employees are engineers and scientific staff.
- Export sales generated \$16.4 billion while domestic sales totalled \$6 billion; representing respectively 73% and 23% of total industry revenue
- The United States remained the most important market for Canadian aerospace goods and services, accounting for sales of \$9.8 billion and 60% of exports.
- Customers from the European Union generated increased sales totalling \$3.4 billion or 21% of total exports.
- Canada's exports to Asian markets are stable and accounted for 7% of total exports.
- Commercial product application represents 77% of sales while defence applications represent 23% of total industry sales.
- Expenditures on aerospace R&D increased to \$2 billion, representing 75% of total investment, an increase of \$0.5 billion from 2010 – while capital investment reached \$0.6 billion.
- 75% of research and development (R&D) investment originated from internal company sources. The Scientific Research and Experimental Development (SR&ED) tax credit and the Strategic Aerospace and Defence Initiative (SADI) were the main instruments used to drive aerospace-related R&D investments.

“The aerospace industry's performance for 2011 demonstrates the important contribution this sector continues to make to the Canadian economy,” said Jim Quick, President and CEO of AIAC. “The considerable increase in R&D investments reaffirms aerospace's position as one of Canada's largest industrial contributors to research and development.”

Over 60 percent of respondents to AIAC's annual survey agreed that there is considerable room for the industry to grow in Canada in coming years, forecasting hiring increases of up to 15% by 2016. AIAC's members have indicated, however, that the changes to the SR&ED tax credit proposed in this year's federal budget may have a significant negative impact on future R&D investment decisions and weaken the aerospace industry's growth.

“2011 was a successful year for Canada's aerospace industry,” said Quick. “In a highly competitive global market, we must continue to build on these achievements. The ongoing Aerospace Review will be the cornerstone to maintaining our industry's competitive edge and remain a world leader in this growing high-tech industry.”

For more information on the aerospace industry's performance in 2011, please visit

<http://www.aiac.ca/resources-and-publications/industry-statistics>

The AIAC is the national association representing Canada's aerospace manufacturing and services sector. As the world's fifth-largest aerospace industry, Canada's aerospace sector generates than \$22 billion and employed 87,000 Canadians. Nearly three quarters of Canadian aerospace products are exported. AIAC represents the interests of 500 aerospace companies across Canada.

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