Building on momentum

Jen Quick, president and CEO of the Aerospace Industries Association (AIAC), says the sector is working to continue competing internationally thanks to the strong support of the federal government and industry-government initiatives over the past five years.

In particular, the Emerson and Jenkins reports made recommendations, most of which were accepted by the previous government, that addressed key competitive issues and were welcomed by industries.

“Program and policy development at the federal government level is very important to us,” she says. “It allows us to keep up with our game.”

The AIAC worked closely with the previous government for five years to improve Canadian programs and policies that will better support the ongoing growth and competitiveness of the industry. The efforts resulted in a successful funding achievement to technology development, defense procurement, controlled goods, space and international trade.

The AIAC is the national association representing Canada’s aerospace manufacturing and services sector. As the world’s fifth-largest aerospace economy, Canada's aerospace sector contributes nearly 8.5 billion dollars to the economy in GDP, exports 60 per cent of its output, and dedicates over 30 per cent of its resources to research and development.

The AIAC represents the interests of over 700 aerospace companies across Canada.

Aerospace program at home and internationally.”

While legacy work creates short- to medium-term opportunities for the aerospace industry, says Mr. Téichroeb.

“You need to partner to create something that is better, useful to humans, technical and that is nimble to be able to respond so that you can compete for some of the opportunities out there,” he adds. “Right now, many Canadian companies are not in a place where they are able to compete on government legacy programs at home and internationally.”

“We've got to figure out the industry’s needs, where the pinch points are and how we can cut out a niche of capability.”

About the AIAC

“The Globe and Mail”

...we are at about 220,000, movements a year, and...We have a capacity for...We are seeing OEMs and prime contractors...We've managed to do that by being very high standard, and that helps.”

“Aeroports de Montréal (ADM), the largest airport on the North American continent, was completed in 2013 to accommodate our massive growth projections, specifically to change size and capacity because we have grown so fast,” he says. “One of the things that is different about our program is that when the GSP is a work in progress and not yet done, if this model gets tweaked by the government, which we want to change, it will get even more global and uniform in nature, and...we are at about 220,000, movements a year, and...We have a capacity for...We are seeing OEMs and prime contractors...We've managed to do that by being very high standard, and that helps.”

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May 31. In partnership with The Globe and Mail’s advertising and online departments, the AIAC’s annual report is made available online to all Canadians, and the report is also available in print.

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Current forecasts peg the number of passengers at Montreal-Toronto airports over the next ten years to grow from 30 million to 55 million, and with the Axe Pacific region alone expected to absorb 40 per cent of them, Canadian airline operators are under immense pressure to cope with not only significantly more passengers, but also more and more technologically advanced aircraft. “Canada’s airport operators, as the local airport authority representatives for the management, operation and development of Montreal Trudeau and Montréal-Habitat, will also need different additional facilities with Canadian Airlines as the sector’s...higher capacities and the anticipated increases in the number of flights in coming years means the ability of...We have a capacity for...We are at about 220,000, movements a year, and...We have to worry about.”

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By Jim Quick, President and CEO of the Aerospace Industries Association of Canada

Aerospace is Canada’s best hope to make a positive contribution to the global economy. Indeed, the industry’s success is critical to Canada’s future as a nation, particularly in an era of rapid economic change and globalization.

Canada has the opportunity to play a significant role in the expected boom in demand for new aircraft around the world over the next 20 years. What’s more, we have a chance to capitalize on our strengths and leadership in the field, which gives us a competitive advantage in the global marketplace.

Past success not enough to maintain Canada’s place in global aerospace sector

We cannot simply rely on our reputation to carry us through. To do so would leave future generations with little more than old footage of Canadarm to rekindle memories of our past aerospace greatness. A big challenge we face in adapting to this trend is the structure of our sector. Most of our firms are small and medium-sized companies. In fact, 93 per cent employ fewer than 250 people. To succeed in that environment are the ones that have the right processes and appropriate certifications and operating procedures to meet the needs of the OEMs.

Aerospace action, and it may well be the share that we currently hold. Therefore, we have to be smart and strategic to not only maintain what we have, but grow it as well. The opportunities are clear. Over the next 20 years, 35,000 new aircraft worth an estimated $5-trillion will be needed to meet an ever-increasing growth in aviation.

Aerospace by the Numbers

A KEY CONTRIBUTOR TO CANADIAN ECONOMY

- GDP: $29B (increase of $4B)
- Employment: 99,600 (increase of 12,000)
- Revenues: $228B (increase of $14B)
- R&D investment: $1.0B (increase of $0.1B)

A CANADIAN MANUFACTURING LEADER

- 5th BLD intensity
- 2nd greater productivity growth
- 64% more value-added (GDP)
- 47% more skilled labour
- 76% higher wages

A GLOBAL LEADER IN KEY NICHE SEGMENTS:

- 1st in small engine production (helicopters and turbo prop engines)
- 2nd in business and regional aircraft production
- 3rd in overall small aircraft production

A MAJOR EXPORTER – 84% OF PRODUCTS ARE EXPORTED

Deep connections to the international supply chain: Over 60% of our exports are supply chain oriented, and those exports are becoming increasingly diversified both in terms of destinations (increasing exports to Europe and Asia Pacific) and product category (for example, landing gear).

AEROSPACE BY THE NUMBERS

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A MAJOR EXPORTER – 84% OF PRODUCTS ARE EXPORTED

Three Questions

Who is the world’s leading provider of electronics Manufacturing Services in Aerospace and Defense?

Who manufactures systems and assemblies found in almost every commercial aircraft in the air today?

Who is better positioned than any other EMS provider to help industry partners realize new advances in e-enabled flight?

One Answer

Celestica – advanced solutions, end-to-end services, unmatched reliability.
Electronics set to reshape commercial airline industry

When Boeing’s 787 Dreamliner entered commercial service with All Nippon Airways in 2011, a new chapter in air travel was now underway, as the world’s firstfighter-sized commercial aircraft. Boeing says the 787 combines the power of integrated information and communication systems to drive operational efficiency, enhance service and streamline maintenance. Electronics (the “X” in-enabled) are now transforming the travel experience and global opportunity as well as challenges for Canadian aerospace companies.

Michael McGuire, vice president, aerospace and defense at Toronto-based Celestica, says the electrification of the aerospace industry, driven by the increasing need for aircraft connectivity, has significant supply chain implications. “It changes who your competitors are and why your supply chain is,” he says. “And that in turn changes what you can expect to see.” For example, electronics facilitate predictive maintenance and allows airlines to order spare parts they know they will need down the road, and that helps manufacturers ensure that they have parts on hand.

“We are seeing with the 787, the Airbus A350 and other wide-body aircraft that the efficiencies are significantly better than what was expected,” adds Mr. McGuire.

“In a word, Celestica’s vice president, strategic business development, says the electronic systems are integrated into mission-critical applications on the aircraft. Quality, performance and reliability are essential. If the electronics in your mobile dance fails, it’s an immediate and potentially fatal failure in the aircraft’s systems in the aircraft’s systems. It would be catastrophic.”

“That’s what Celestica technology innovations focused on, he says. “We are leveraging our 40-year heritage in high-reliability electronics to support customers in markets where high-reliability applications are critical, like aerospace and defense.”

However, while technology innovation is important, the real challenge is in market definition and the ability to transform into commercial relevance, adds Mr. Jackson.

“Canada has no large space programs to launch a communications satellite; however, we were first country to launch a satellite; we were first country to launch a satellite. It’s not too late for the Canadianspace heritage to continue, Mr. McGuire says.

“Exploration of the moon and Mars are definitely two top initiatives we should be aiming at; but right now it looks like we’re missing the boat,” says Daniel Zarutka, vice president of advanced development, marketing and contracts at Megellan Aerospace, says Canada must address these. “While we have a small number of programs currently underway, these are still not on the horizon,” he says. “We are using a lot of technical resources and good minds that we’ve invested in to support these programs, but we need the next set of projects to keep them engaged.”

“The problem is recognized in the Emerson report of 2014 – government is the largest space customer and needs a predictable plan in order to make real decisions on investment strategy; and in the government, Mr. Zarutka says. “We are encouraged by the upcoming government paper opening an understanding of Canada’s role in the global economy and for Canada’s role in the international economy.”

“Dr. Ulrich says there’s no doubt that Canada has the expertise to continue to be a global leader.”

“We have expertise in pretty much all key technologies and our countries are doing trading agreements,” he adds. “We see globally the whole supply chain evolve into a science perspective. It’s just matter of leveraging what we have and putting together a strong team to bid on contracts issued by ESA or NASA. Dr. Quick, president and CEO of the Canadian aerospace companies, says Canada needs a business led private-public partnership with a focus on innovation is focused on,” he says. “We see the development of new products in the future.”

“Mr. McGuire. canada/Mu says the strong teamwork and new business.”

“We’ve got the expertise to continue to be a global leader.”

“Spacefaring nations have fallen because we sat on our reputation and we didn’t make an effort to make it into the world.”

“A group of people from our constituents to discuss how they are going to develop a solution in the technology space. the ecospace of the future.”

Mr. Quick points out that this approach is in line with the global trend away from the traditional supply model for innovation where an original equipment manufacturer or subcontractor would leverage their vertical supply chain for complexity to deliver, to a more open model where firms co-operate because they can’t do it all themselves. A business-led private-public partnership is in line with the trend changing the aerospace industry, in says, Mr. McGuire.

“Mr. McGuire modestly adds, he adds. "We’re able to help our customers change and modify our supply chain to add the new realities of the world. We have become more flexible, more collaborative, and more competitive in their marketplace.”

Putting more space in aerospace

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WHAT MORE CAN YOU ASK FOR? – With a skilled workforce, a road adaptable airport environment, the possibilities for development and growth are almost endless.

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Montreal-Mirabel Airport offers the aerospace industry much more: