

SECTOR: Defence Programs, Products and Related Equipment and Services

SUB-SECTOR: AEROSPACE AND SPACE

Officer:

U.S. Market Opportunities: Instant reaction forces may be required in larger numbers with a corresponding increase in airlift for personnel and material. US DoD emphasis upon types and missions of aircraft could be altered in the next few years in this volatile defence market. The US commercial aircraft market remains encouraging with Boeing's estimated 55% of the western aerospace market and McDonnell Douglas' 15% share.

The majority of NASA's budget of 13.4 billion USD in FY 1991 was directed toward prime contractors, with the remainder 'set-aside' for Small Business and other protected organizations. The three largest installations, Marshall Space Flight Center, (Alabama), Johnson Space Flight Center, (Texas) and Goddard Space Flight Center (Maryland) account for more than 60 per cent of the NASA procurement funds. The prime contractors in California, Texas and Florida capture more than 80 per cent of total procurement.

Canadian Capabilities: Canada's aerospace industry is technology intensive with goals attained through 'niche market' capabilities, and is export oriented. It ranks 6th among world-wide aerospace manufacturers. Growth since 1985 has exceeded 50%, sales in 1989 were close to \$8 billion of which exports comprised \$5.5 billion. Sales and exports were approximately 70% commercial and 30% defence. Defence electronics companies comprise an important segment of aerospace industries. Canadian companies are pursuing advanced technologies, domestically and internationally, through R&D programs, technology commercialization programs and joint venture/technology exchange agreements. The main areas of endeavour include Automated Decision-Making Systems with Artificial Intelligence and Robotics, Advanced Systems Performance Simulation, and Materials.

Canada's small space industry achieved close to \$350 million sales in 1990, of which some \$153 million was in exports. Canadian share of the total NASA procurement budget is approximately one-quarter of one per cent.

Strategy:

- Widen our base of sub-contractors, and extend the government-industrial linkages.
- The current approach to the market has proven relatively successful. Aggressive perseverance by Canadian manufacturers and strategic government support has paid off. For this purpose trade missions have proven more efficient than large trade fairs and the trade development strategy in this sector will be re-oriented to increase the focus on this technique.
- Promote U.S investment and strategic alliances in the sector in order to attract high technology-based firms to Canada.