

PROCUREMENT STRATEGIES OF THE FRENCH AEROSPACE INDUSTRY

CONTEXT

- Canada's aeronautics, defence and space industry is significant and well structured:
 - The Canadian industry is broadly diversified and accounts for about US\$10 billion in economic activity, 80% of which is earned in the export market.
 - The Bombardier group is the major player in the Canadian aeronautics industry and controls the structure of the rest of the industry, particularly since it bought de Havilland. Bombardier (24,000 employees, not counting those at de Havilland) operates at both the system and subsystem levels.
 - Other major companies are operating in the ground and air electronic sectors (CAE Electronics, CAL, SPAR Aerospace).
 - Many Canadian firms are subsidiaries of foreign-based multinationals: some have limited design and production capacities (for example, Aérospatiale Canada, McDonnell Douglas Canada, Lockheed Canada, Raytheon Canada), others operate as independent divisions with their own product lines (for example, Pratt & Whitney Canada, which develops all the low- and medium-power turbines for P&W, Allied-Signal and Textron Canada).
 - Finally, the Canadian industry draws on the strength of a coherent industrial supporting structure, which includes major companies that focus on the export market, as well as a large number of small equipment supply firms that usually concentrate their efforts in the local or North American market.
- Historically, the Canadian aerospace industry has established close links with U.S. companies. But the European aerospace industry is maturing and the domestic American markets are currently weak, suggesting that perhaps Canadian industry should be looking to the European market.
- Such a course of action would be made easier by the development of solid partnerships, which are currently essential for:
 - developing bilateral business relationships in the context of the reciprocal opening of markets
 - sharing the costs and risks of development among several partners
 - guaranteeing the required level of industrial off-sets for programs sold abroad
 - synergistic benefits from technical and commercial partnerships