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COMPETITIVENESS PROFILE

AEROSPACE - SPACE SUB-SECTOR

1. STRUCTURE AND PERFORMANCE

The space sub-sector of the Canadian aerospace industry is involved in the development, systems engineering and manufacture of select areas in satellites and ground based systems. In recent years, it has accounted for between 5% - 10% of the total aerospace industry with 1983 sales of just over \$200 million annually.

- Dominant firm is SPAR (1983 sales of \$215 million of which \$140 million was space) - over half of the sub-sector total.
- Nearly 40 other very much smaller firms with either a total or a partial involvement in space activities.
- Highly knowledge intensive with a correspondingly high ratio, sales: employee.
- Domestic expenditures typically represent a higher proportion of total sales than is the case for the Canadian aerospace industry as a whole.
- This is the sub-sector with the most pronounced evidence of entrepreneurial initiative in Canadian aerospace - in terms of new business establishment.

Regional representation is widespread for this sub-sector with some business entity present in the majority of Provinces. Ownership is predominantly Canadian.

The statistical database for this industry is not yet fully developed; Stats Can does not separately classify space so that information has to be specially gathered.

Such information as does readily exist is presented in Annex A.

2. INDUSTRY STRENGTHS AND WEAKNESSES

The strength of this sub-sector lies in the fact that it is an accredited participant in the world industry. SPAR has been involved in the production of over 50 satellites beginning with Alouette in 1962 - the world's third to go into orbit.

Export market successes include BrazilSat - Latin America's first domestic communications system - with SPAR as prime contractor; SED (Saskatoon) for the design and installation of the Satellite Control facility for the Brazilian Telecommunications system and