

The de Havilland Buffalo is ideal in its size range as a support aircraft for developing countries, and will continue to sell in small quantities. De Havilland's Twin Otter will continue to sell in small quantities. However, it faces stiff competition from Israel's Arava and Spain's CASA 212

PWC engines, with over 27,000 units in operation, generate significant revenues from spare parts and overhauls. New market opportunities require production sharing and offsets as well as competitive financing. To gain access to a potential 6,000 engine market for a new US Army helicopter, 50% of the engine will be shared with one of its major competitors. Winning the Netherlands' F-50 order requires a guaranteed offset to Netherlands industry. PWC continues to compete effectively for all new aircraft opportunities within engine size range.

Canadian avionic firms' market access is difficult where the domestic competitor's product development is fully funded in a government procurement. However, the market is large enough that sales on other programs justify a sustained marketing effort with particular emphasis on US aircraft manufacturers. CAE Electronics' recent success on the US Air Force C5 simulator program augers well for future sales into the US military simulator market.

Component manufacturers such as Boeing of Canada, Bristol Aerospace, Dowty, Fleet, Menasco, Spar, etc., continue to compete vigorously for orders from the major aircraft and engine manufacturers in US and Canada and are expected to enjoy continued sales growth. Limited opportunities are available from Europe for these companies. Douglas of Canada will continue to be a major supplier of airframe sections to its US parent.

The newly formed Canadian helicopter industry's survival depends on exports. Bell and MBB are well established in certain markets and, assuming availability of export permits and competitive financing, their longer term prospects are encouraging.

#### Proposed Promotional Activities

A major Canadian industry and government presence will take place at the Paris International Air Show, May 30 - June 9, 1985. Several Canadian companies will exhibit at the S.E. Asian Aerospace Show in Singapore in January, 1986.

The aerospace companies will continue to participate in commercially organized trade promotion activities appropriate to their market sector. The Aerospace Industries Association of Canada will continue to collaborate with appropriate Government departments in new marketing initiatives.