

TCI members are focusing on Canada's knowledge-based, value-added sectors that offer the most for Canada's continuing prosperity. Sectors with a high percentage of SMEs, those which are important to the various regions of Canada, including rural Canada, and those with high growth potential are TCI priorities.

## AEROSPACE AND DEFENCE

- ▶ **2000 sales of \$20 billion**
- ▶ **Exports of \$15 billion**
- ▶ **700 firms employing some 92,000**

Over the next five years, global aerospace and defence output is expected to grow in excess of 4% annually, reaching US\$321 billion by 2005<sup>4</sup>. During that period, equipment manufacturers in Europe and the U.S. are expected to continue to consolidate, cut costs, rationalize supplier bases and shift responsibilities to sub-assembly and parts producers. Larger companies will also take advantage of e-commerce opportunities to centralize procurement and introduce new quality control methods.

Canada's many high-quality industry players have much to gain in this process. Canada's position as a world market leader in such high-growth areas as regional and business aircraft, small gas turbine engines, commercial helicopters, landing gear, commercial flight simulators and training devices will continue to drive growth. Our nation's global leaders in such areas as space technologies, repair and overhaul, electronic systems, advanced composites and fabricated parts will make a significant

contribution to growth. Our world-leading niche producers of such products as multiplexers and switches for communication satellites and satellite earth observation ground stations will also be key players.

To achieve their growth objectives, Canadian aerospace and defence companies will need to secure necessary risk capital, lever technology more aggressively, seek risk-sharing partners worldwide and diversify into additional markets.



*Business is booming for Quebec-based **ACCESSAIR Systems Inc.**, manufacturer of boarding bridges, air stairs, passenger shuttles and a variety of efficient maintenance vehicles for the global airline industry. The company has emerged as a leading edge supplier of products to an industry dominated by conventional techniques. About 80% of company revenues are generated abroad. The firm has sold its products to airline companies and airports in the U.S., Japan, Turkey and Egypt.*

<sup>4</sup> Rolls-Royce Market Outlook