

Hughes Aircraft of Canada Limited



How a Canadian Subsidiary Remains Viable in a Changing Economy

Hughes Aircraft of Canada Limited (Hughes Canada) was incorporated in 1989 as a Canadian operating company. The company supports Hughes initiatives in diversification and commercialization of defense electronics technologies internationally. Presently, Hughes Canada employs 1,100 people, has four operating divisions, one subsidiary, and a corporate headquarters located in Calgary, Alberta. With just four years of operating experience, present yearly revenue projections of over CAD 238 million places Hughes Canada in the top 24 high technology, computer services and engineering companies in Canada.

Hughes Aircraft of Canada Limited is a wholly owned subsidiary of the Hughes Aircraft Company (Hughes) of Los Angeles, California, part of the General Motors family. Embarked on an aggressive growth curve, Hughes Canada is offering leading edge solutions in Air Traffic Control (ATC), information technology, radio frequency technology, as well as computer systems integration, simulation, radar and avionics service and support.

Hughes in Canada

It was the parent corporation's decision to shift from a U.S. territorial type company to a global company that spurred the birth of Hughes in Canada. "Canada is viewed as an international trading country with a knowledge based economy," says Mr. John M. Belcher,

President, Hughes Aircraft of Canada Limited. He continues to explain that Hughes' desire for global expansion into Canada came as a result (in part) of Canada's advanced activity and competence in the high tech sector; especially that of air traffic control. Hughes initiated this expansion by bidding on and winning the mandate for a major Canadian air traffic control system - the Canadian Automated Air Traffic System (CAATS). Within this agreement was the stipulation that the world product mandate for commercial ATC related systems in Canada be given to a Canadian company. Hence, the start of Hughes Canada.

Hughes Canada Systems Division, of Richmond, British Columbia, produces the world's most advanced air traffic control systems. Currently, the division is modernizing Canada's air traffic control system; part of the \$420 million Transport Canada contract to design and build the Canadian Automated Air Traffic System (CAATS). Under this contract, the Systems Division is automating the nation's air traffic control flight data processing and supplying air traffic controllers with integrated, high-performance workstations.

Why Canada

Hughes Aircraft of Canada Limited's parent company saw Canada as a likely location for investment for a number of reasons. Mr. Belcher explains that headquarters views Canada as having a similar infrastructure and environment -- from financial, technological and cultural points of view, to the U.S. The parent company sees no major language