

Other Canadian strengths include: landing gear unmanned vehicle systems, structural assemblies, and avionics, especially in the fields of communications, power conversion, environmental control, and in-flight entertainment.¹⁶

Canada's Strategic Aerospace and Defence Initiative (SADI) provides R&D incentives


Canada's advantages as an investment destination for aerospace companies include a sophisticated R&D infrastructure that receives significant support from a variety of government tax incentives and exemptions. In addition to the treatment of depreciation rates for capital investments in the manufacturing sector announced in the federal budget in 2008, in early 2007 the Canadian government announced a new \$900-million Strategic Aerospace and Defence Initiative (SADI), designed to support aerospace R&D in Canada over the next five years. SADI is in addition to overall R&D tax incentives, such as Canada's flexible and market-based SR&ED program.

Investing in Canada also provides unparalleled access to the United States market, the world's largest single national consumer of aerospace goods and services. Indeed, typically more than 85 percent of Canada's aerospace exports are destined for the United States. As supply chains in the aerospace sector evolve, it is crucial for aerospace firms to locate close to their customers' R&D and project management centres, and to have access to a deep pool of technical expertise capable of delivering on their clients' requirements. Canada offers both proximity to the largest aerospace market in the world and a robust pipeline of graduates that firms can utilize to integrate themselves into the supply chains of top-tier aircraft and parts manufacturers in North America.

PRATT & WHITNEY CANADA: EXPERTISE IN ABUNDANCE

Pratt & Whitney Canada was founded 80 years ago in 1928 to act as a service centre for its parent company's aircraft engines. Headquartered in Longueuil, Quebec, just outside Montréal, Pratt & Whitney Canada currently employs more than 10,000 people worldwide—including more than 7,000 in Canada. It has built over 60,000 engines used in more than 190 countries and has a global mandate to develop and market smaller aircraft engines. As such, the Canadian operations have their own R&D, manufacturing, and marketing units. Since the development of its famous PT6 turboprop engine in the 1960s, Pratt & Whitney Canada has dominated its sector of the world market for aircraft engines.

Pratt & Whitney Canada works closely with a network of 16 universities across Canada. "Pratt & Whitney Canada is the number one R&D investor in the Canadian aerospace sector," says Alain Bellemare, President of Pratt & Whitney Canada. "Our company ranks Canada first internationally for access to well-educated workers. We get great people—graduates from first-rate engineering courses offered by Canadian universities."



Alain M. Bellemare,
President,
Pratt & Whitney Canada

¹⁶ *Foreign Affairs and International Trade Canada. Canada—A Strategic Choice: Canada as an investment destination for aerospace. 2008. p. 1*