

## **PURCHASING POLICY**

- The French aeronautics industry tends to favour the status quo in relation to subcontracting and foreign purchases:
  - French aeronautics manufacturers are facing an overall downturn in their industry (forecast to last through 1993-94).
  - Given this downturn, most manufacturers would like to maintain the maximum workload for themselves while avoiding, to the extent possible, any new subcontracting arrangements and bringing back in-house a portion of their production capacity.
  - Manufacturers continue to give priority to their own network of local subcontractors, with whom they already have industrial arrangements.
- Nevertheless, there are currently still opportunities for subcontracting and purchasing deals in Canada:
  - for suppliers of systems to meet commercial strategy requirements (the policy of maintaining a local presence)
  - for equipment makers, often at the request of the prime contractor or the customer
  - in all cases where using Canadian suppliers is technically or economically justifiable
- In this context, the following areas for subcontracting and purchasing deals have been identified (the companies cited are not the only ones where there are opportunities):
  - components (Sextant Avionique, SFIM)
  - mechanical production, sheet metal, casting (ABG Semca, Hispano-Suiza, Labinal, Messier-Bugatti, Microturbo, Sextant Avionique, SFIM, Thomson-CSF/SDC)
  - video maps (Sextant Avionique)
  - electro-mechanical and electronic subassemblies (SFIM)
  - precision bearings (SFIM)
  - composites (ABG Semca, Hispano-Suiza, Messier-Bugatti)
- Nevertheless, it is evident that existing programs offer few opportunities for new Canadian entrants:
  - profitability of the operations has not been proven
    - effective price levels
    - job lots
    - logistics

Only a small number of Canadian manufacturers are currently listed.