



*The **Vancouver Economic Development Commission**, an agency of the City of Vancouver, works to strengthen the city's economic future by helping existing businesses, attracting investment, researching the business environment and making policy recommendations.*

Media Backgrounder

AEROSPACE INDUSTRY

1.0 Industry Snapshot

Overview

Aerospace in British Columbia (BC) represents approximately 2% of the provincial GDP. Approximately 10,000 people are employed directly and indirectly by the aerospace industry in BC. The industry represents an estimated \$3.5 Billion in economic activity annually. The industry is supported by an efficient distribution system, making shipment of products around the world cost effective. In addition, high quality IT infrastructure ensures that aerospace in BC is seamlessly connected to customers and suppliers around the world.

Sub-sectors

The aerospace industry is concentrated primarily in maintenance, repair and overhaul as well as in aircraft and aircraft parts manufacture but has leaders in the areas of space based information systems, water purification technologies and composite design and production systems.

Top Industry Performers

Notable aerospace companies in Metro Vancouver include Avcorp Industries (designer and manufacturer of major airframe structures), Convergent Manufacturing Technologies (world leading provider of composite process modelling software and services), Vector Aerospace (independent provider of maintenance, repair and overhaul for fixed wing and rotary wing aircraft operators), MTU Maintenance (turbine engine repair and overhaul services), and MacDonald, Dettwiler and Associates (operator of space, air, and sea-based data-gathering platforms and information provider with civilian, defence and commercial clients).

Growth and Trends

Since 2001 the industry has grown rapidly despite the strong dollar and other economic disturbances. The growth rate has averaged just less than 10% per annum with workforce size growing at about 5% annually until 2009. Strong growth is expected to return in 2011.

2.0 Sector Incentives and Support

Most aerospace R&D qualifies for the Scientific Research and Experimental Development Program (SR&ED). The SR&ED program is a federal tax incentive designed to encourage research and development in Canada. Qualifying non-Canadian companies are eligible to receive tax credits of 20 per cent of qualified expenditures. The BC Government adds a ten per cent tax credit for qualifying Canadian and non-Canadian corporations that conduct R&D in BC.

To further note, in terms of institutional support, possibly one of the greatest strengths of the BC industry is the network of colleges and universities producing well trained technicians and engineers which allows for rapid growth.

3.0 Resource Organizations

→ Aerospace Industry Association of BC

The Aerospace Industry Association of British Columbia is a member-funded alliance of BC-based companies working together to promote and develop one of the fastest growing high-tech industries in Canada.

www.aiabc.com

→ British Columbia Institute of Technology's Aerospace Technology Campus

BCIT has become one of the top aerospace training schools in North America. Western Canada's premier aerospace centre, the 305,000 square foot facility was designed using a collaborative approach to enhance the learning environment for students and faculty in Canada's multibillion dollar aerospace industry.

www.bcit.ca

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