

# **OPEN LETTER**

## **to Canada's federal party leaders and all MP's from Canada's 215,000 strong aerospace industry.**

### **TIME FOR ACTION!**

The Right Honourable Justin Trudeau, P.C., M.P., Prime Minister of Canada  
The Honourable Andrew Scheer, Leader of the Conservative Party  
Jagmeet Singh, Leader of the New Democratic Party  
Yves-François Blanchet, Leader of the Bloc Québécois Party  
Elizabeth May, Green Party Leader

Dear Prime Minister and Federal Party Leaders,

#### **RE: Your commitment and action is required now!**

On behalf of the Aerospace Industries Association of Canada, we would like to extend our appreciation to you, our country's political leadership, for your ongoing work as our country copes with the effects of COVID-19.

As the national association representing more than 95% of aerospace activity in Canada, our members are located in all regions of the country and range from very small to very large businesses operating in all three segments: space, aerospace and defence.

Even prior to the catastrophic consequences of COVID-19, Canada's aerospace sector was losing ground. In fact, we raised alarm bells a year ago when we released the Vision 2025 report that outlined industry and stakeholder feedback and recommendations needed to protect Canada's slipping aerospace position.

Despite these alarm bells, the federal government took little action. And now, facing pressures and losses that are the biggest in aviation history, Canada has slipped even further.

While our major competitor countries have implemented sector specific plans and recovery measures, Canada has continued to sit idly by. Our once-held fifth place ranking on the global stage has fallen to number seven. And international experts predict that we will continue to fall in ranking if no action is taken.<sup>1</sup> With this loss in standing comes losses in jobs and annual Gross Domestic Product (GDP) to Canada.

#### **These are real consequences and now is the time to act.**

New polling data compiled by Pollara Strategic Insights shows overwhelming support from Canadians for a comprehensive aerospace strategy. While the results showed Canadians don't have a strong familiarity with the industry (18% saying they are not at all familiar and 3% being very familiar), they are **very supportive of investments into the industry**.

- When told of the economic benefits of the aerospace industry (\$31 billion in revenue, has contributed more than \$25 billion to Canada's Gross Domestic Product, provides jobs to 215,000 Canadians), almost all Canadians agree it is at least somewhat important that it stay in Canada (91%), with almost half (46%) saying this is very important.
- When hearing that Canada's ranking in this industry has slipped from fifth to seventh place, a vast majority say it is important that Canada remains competitive (85%). Likewise, 85% also feel it is important that Canada invest in this industry, similar to other countries like Hong Kong, France, Germany and the USA.
  - o More than one-third feel it is very important that Canada remain competitive (39%) and invest in this industry (36%).
- Almost four-fifths (78%) of Canadians agree that Canada needs a comprehensive aerospace strategy to ensure the industries long-term future as well as to protect the more than 215,000 jobs and financial contributions.

For over 80 years, governments of all political stripes have made Canada's aerospace sector a policy priority through strategic action and investments. They built Canada into a global aerospace leader with an impressive worldwide reputation that is now coming under threat.

If we fail to keep up with our competitor countries, our industry's \$25 billion annual GDP contribution will be gutted and Canada will no longer be in a position to attract and keep highly-trained skilled workers. This represents **215,000** highly skilled, well-paying jobs across the country that support more than 500 small businesses.

**Our question to the political leadership of the day, and indeed all parliamentarians, is this: Do we want to keep our aerospace industry in this country or not? If the answer is yes, we need to face up to the new reality and take action.**

**Canada must act now, as our competitors are, before we lose it all. The commitment we made as a nation 80 years ago to be a global leader, is needed again.**

Sincerely,

Jim Quick  
President and CEO  
AIAC

Jean Charest  
Chair of Vision 2025 and Partner at McCarthy Tétrault  
Former Deputy Prime Minister of Canada and Premier of Quebec  
(2003-2012)

<sup>1</sup> Global Aerospace in Post Covid-19 Scenario - Roland Berger, June 2020.