



Canada: Opportunities for U.S. Aerospace Companies Arise from Canada's Participation in the Joint Strike Fighter Program

Gina Bento
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Summary

Canada's participation in the Joint Strike Fighter Program (JSF) opens numerous short and long-term opportunities for U.S. suppliers of aircraft parts. The JSF is a U.S.-led program of nine countries, including Canada, to build the next generation fighter jet, the F-35 Lightning II. So far, over 74 Canadian aerospace companies have been awarded JSF contracts worth approximately \$250 million. It is estimated that by 2035, the Canadian aerospace industry will reap about \$9 billion in contracts. This value is likely to be higher if we take into account the total value of contracts that Canadian companies may have with U.S. sub-contractors selected by Lockheed Martin to participate in the JSF.

Canadian companies are successfully attracting large JSF contracts, thereby causing a rise in their demand of aircraft parts. This increased demand will benefit U.S. aerospace suppliers because Canadian firms greatly depend on U.S. suppliers of aircraft parts and finished raw materials with aircraft applications to meet their procurement needs.

The Joint Strike Fighter Program

Designed to build the next generation "family" of strike fighters, the F-35 Lightning II, the Joint Strike Fighter Program is the largest aircraft fighter program of the first half of the twenty-first century. With a total estimated value in excess of \$276 billion, this program's acquisition cost is expected to reach \$31 billion. The JSF includes the following non-US countries with their respective investments: Canada (\$160 million), the U.K. (\$2 billion), the Netherlands (\$800 million), Italy (\$1 billion), Turkey (\$175 million), Denmark (\$125 million), Norway (\$125 million) and Australia (\$150 million).

The F-35 Lightning II is said to be like the F-16 in aero performance, have stealth signature and countermeasures, advanced avionics and much more. One of its main distinguishing capabilities is its interoperability: it is able to interoperate with an unprecedented array of assets in the air, land and sea. It is built with the following three variants: conventional takeoff and landing, short-take off and vertical landing, and an aircraft carrier version. The price for the aircraft ranges from upper \$40 million to \$60 million depending on the variant, a considerably cheaper alternative to the \$137 million F22 Raptor.

Lockheed Martin is the JSF prime contractor selected to develop, integrate and assemble the JSF aircraft. Quantities planned include 2,443 for the USAF, USN, USMC, and 710 for partner nations. The JSF stands to gain significant revenues from aircraft sales to third parties; the JSF will compete globally to win contracts such as India's 126-aircraft order. Expected sales over the life of the program range from 3,000 to 5,000 fighter jets.

A rise in Canada's demand of aircrafts parts and materials to fulfill JSF production

Great business opportunities are arising for U.S. suppliers of parts and materials in Canada. Canadian aerospace companies need to fulfill their JSF-related production, and on average 60% of their supplies are already coming from the U.S. It is estimated that 174 contract opportunities will be allocated to Canadian companies throughout the JSF's production life, with work continuing through 2035 with about 50 companies for a total value of \$9 billion. Canadian sub-contractors for the JSF Program will also be seeking aircraft parts and finished raw materials.

Implications and Opportunities for U.S. Firms

U.S. suppliers of products needed to produce following parts should take advantage of these time-sensitive export opportunities. So far, Canadian companies have won JSF production contracts in: aero structures manufacturing, nanotechnology-based coatings, advanced composites, software (training, document management), diagnostics prognostics and health management (DPHM), machining, circuit boards, tooling, landing gear maintenance, and propulsion, cockpit speech recognition systems, wing-box parts and inner-wing bulkheads, and fuselage bulkheads. Other opportunities abound in engine-related work such as fan syncs, front frames, engine damage detecting sensors, and other engine components.

These Canadian firms are looking for suppliers to meet their short and long term production requirements. For more information on JSF contracts awarded to Canadian aerospace companies, please contact Gina Bento at the U.S. Commercial Service for greater details (contact information below).

For More Information

For more information about opportunities to supply Canadian aerospace companies participating in the Joint Strike Fighter program, and for assistance in increasing your exports to Canada, please contact Ms. Gina Rebelo Bento at the U.S. Commercial Service in Montreal Canada via e-mail at: Gina.Bento@mail.doc.gov; phone: 1-514-398-9695 ext. 2260; fax: 1-514-398-0711; or visit our website: www.buyusa.gov/canada.

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