



Canada's Success at the Farnborough International Air Show 2008

Gina Bento
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Background

U.S. suppliers of aircraft parts stand to gain from Canada's success at the 2008 Farnborough International Air Show, the second largest aerospace trade show in the world. The 108 companies and some 700 business representatives from Canada participating in the air show walked away with millions of dollars in agreements and contracts. Below is a sampling of Canadian companies that publicly announced their business development activities at the Farnborough International Air Show.

Bombardier launched its new C-Series aircraft with Lufthansa as a launch customer. This aircraft is a regional 130-seater, with a portion of its manufacturing being done in Montreal and its final assembly in Mirabel, Quebec. So far, the German airliner showed interested in purchasing 30 aircraft, with the option to add 30 more.

CMC Electronics and Thales signed a multi-year exclusive contract to develop and manufacture a Front End Assembly for the Airbus A320. This Front End Assembly system incorporates an LCD into its multifunction control and display unit (MCDU). Production of MCDUs will begin in late 2009 and reach a peak of 100 units per month.

CAE Inc. signed more than \$128 million worth contracts. It will build 4 full-flight simulators and training units worth \$50 million for several airlines including Mideast's Etihad Airways, British Airways and for companies such as Bombardier and Embraer. CAE's military training contract with Australia was enlarged and extended to run until 2018; this contract is worth \$78 million.

Héroux-Devtek won a contract to design, build, supply and support landing gear assemblies for the new Embraer Legacy 450 and Legacy 500 business jets. Earlier in June, the company won a contract to build landing gear for Bombardier Learjet 85 and another \$109 million contract to build aerostructures for ¹other Bombardier aircrafts.

Héroux-Devtek signed a letter of agreement with Bell Helicopter Textron for a period of up to 2015 and covering potential orders worth about \$57 million. These orders are for the manufacturing of primary structural components for the new Bell Helicopter 429, which includes cabin, cockpit and aft fuselage components and sub-assemblies. This agreement is in addition to a previous one signed between the company's Landing Gear Division and Bell Helicopter for the 429 program to provide flight critical components totaling \$8 million.

Magellan Aerospace Corporation of Canada confirmed its ten year pact with QuEST to supply landing gear parts for Boeing 747s, 777s and 787s. This order is valued at \$5 million.

Pratt & Whitney Canada (PWC)'s PW210S engine has been selected for Sikorsky's S-76D helicopter. Sikorsky claimed customers have confirmed interest in about 100 helicopters, representing a total order value of \$1 billion. PWC is thus positioned to increase its production and sales of the PW210S. U.S. suppliers of engine parts should also know that PWC expects to deliver a record number of 4,000 engines this year; it had delivered 3,054 engines last year. Its production target is to deliver 300 non-PW600 engines per month.

Pratt & Whitney Canada (PWC) plans to invest \$90 million in a flight test operations center at the Montreal-Mirabel International airport. This center will be used to support flight testing for all PWC engines with up to 90,000 pounds of thrust. Current test operations in Plattsburg, New York and St-Hubert, Quebec will be transferred to the Mirabel center, which is to be completed by next spring.

¹ All figures are in U.S. dollars. The 2007 exchange rate used was .847 Canadian dollars per U.S. dollar.

Implications and Opportunities for U.S. Firms

Canada is the largest export market in the world for the United States of America. Canada is also one of the world's largest aerospace markets in the world, after the United States, United Kingdom, France and Germany. In 2007, Canada reported industry revenues of \$19.2 billion and employed approximately 82,000 skilled workers in over 400 firms. Because Canadian aerospace firms were successful in attracting lucrative business agreements at the Farnborough International Air Show, new supply chain opportunities have surfaced for U.S. aerospace firms in various product categories that are worth exploring with the assistance of the U.S. Commercial Service in Canada.

For More Information

For further information on Canada's Success at Farnborough and for business opportunities in the Canadian aerospace marketplace, please contact Ms. Gina 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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