



# Canada: \$900 Million Multi-Ship Modernization Program

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## Project

Public Works Canada recently announced a \$900 million multi-ship modernization program in Canada. The twelve-year contracts, awarded to shipyards on each of Canada's coasts are to maintain and upgrade Canada's twelve Halifax-class frigates. Upgrades to all twelve frigates will include installations of modernized weapons and sensors systems, making the ships capable of dealing with future issues and challenges for the navy. Although contracts have been awarded to local companies to build ships, opportunities exist to supply materials and specialized equipment.

## Industry Overview

The majority of Canada's shipbuilding industry is located on coastal cities such as Victoria, Esquimalt, and Halifax. The industry is traditionally known for its boom and bust cycles, however, the Shipbuilding Association of Canada, forecasts that the new building requirements and recent announcements like the refurbishing of twelve frigates, signal a start in another boom cycle. Industry experts projected a combined navy and commercial demand for new ships is valued at approximately \$9 billion dollars. Of that approximately \$3 billion will be used for building Canadian commercial ships. The Canadian ship building industry typically attracts foreign investment in the form of partnering with Canadian companies for large projects.

Projects such as two cruise ships for Pear Cruises, eight Orca class training vessels for the navy and an 125 car ferry for BC ferries are either underway or being sent to tender. The Canadian Coast guard is evaluating proposals to build eight mid-shore patrol vessels and six Arctic Patrol vessels.

## Opportunities for U.S. firms

With the recent announcement from Public Works Canada to refurbish twelve frigates, and future vessel construction, U.S. firms supplying shipbuilding products should ensure they have representation or distribution in Canada. For example, companies who offer technologically advanced weaponry and sensory equipment are encouraged to supply product information to each general contractor. In addition, suppliers of steel, mechanical engines & pumps, and electrical conductors & heaters, should take advantage of Canada's shipbuilding boom to increase their international exports.

## The U.S. Commercial Service — Your Global Business Partner

The Commercial Service of the U.S. Department of Commerce offers a number of excellent programs to help export-ready companies identify and establish relationships with quality distributors, representatives, etc. in foreign markets. The Gold Key service is particularly effective in helping U.S. companies to identify potential foreign distributors, representatives, joint-venture partners, etc. Through this customized program, the Commercial Service arranges appointments for U.S. companies with pre-screened business contacts whose interests and objectives match those of the U.S. firm. The Gold Key service can be extremely effective when entering new markets. In addition to the Gold Key service, the Commercial Service offers a number of other services/resources (including customized market research and key contact lists), to assist U.S. companies entering or expanding in foreign markets. The Commercial Service in Canada can be contacted at the following telephone numbers: Vancouver (604) 685-3382;

Calgary (403) 265-2116; Ottawa (613) 688-5222; Toronto (416) 595-5412; and Montreal (514) 398-9695. The U.S. Commercial Service is also on the World Wide Web at: [www.BuyUSA.gov/Canada](http://www.BuyUSA.gov/Canada).

The Canadian market, in particular, represents a good "first step" for small to medium sized U.S. firms interested in exporting, and we welcome the chance to assist you. Think "Canada First!" If this report has alerted you to a commercial opportunity in Canada, and you subsequently pursue it with successful results, please let us know. We track U.S. success in Canada and want to know how our market services and reports are being used.

For more information on U.S. Commercial Service programs please contact Judy Simonite, Commercial Assistant in Vancouver, 604-642-6678, fax: 604-687-6095 or email: [judy.simonite@mail.doc.gov](mailto:judy.simonite@mail.doc.gov).

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