



Government
of Canada

Gouvernement
du Canada

STRENGTHENING CANADA'S MANUFACTURING SECTOR



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DRIVING CANADA'S ECONOMY

Accounting for almost 11 percent of Canada's GDP, manufacturing is a high-skill, high-tech sector that directly employs 1.7 million Canadians—almost all of them full-time and well-paying jobs—and supports nearly 3 million more through indirect and induced effects. Collectively, the manufacturing sector pays \$1.85 billion weekly in salaries to Canadian workers, more than any other sector in the Canadian economy.

In 2014 alone, manufacturing companies invested \$14.8 billion in the Canadian economy and played a critical role in the completion of large infrastructure projects across the country.

The manufacturing sector is also constantly developing new technologies. In fact, the manufacturing sector is the largest investor in research and development (R&D) in Canada. In 2014 alone, the manufacturing sector invested nearly \$6.8 billion into researching and developing new technologies and products destined for Canadian and international markets. As part of the largest exporting sector in the country, Canada's manufacturers also account for 61 percent of Canada's total merchandise exports in 2014 and are among the primary beneficiaries of the free trade agreements successfully concluded by the Government since 2006.

TOP THREE MANUFACTURING SECTORS BY SALES IN 2014:

- TRANSPORTATION EQUIPMENT
\$112.6 BILLION



- FOOD PROCESSING
\$107.1 BILLION



- PETROLEUM AND COAL PRODUCTS
\$83.1 BILLION



MANUFACTURING IN CANADA



CONTRIBUTES **\$173 BILLION TO GDP**, ALMOST **11 PERCENT** OF THE CANADIAN ECONOMY

EMPLOYS **1.7 MILLION CANADIANS**

SPENT **\$6.8 BILLION ON RESEARCH AND DEVELOPMENT** IN 2014

PROTECTING THE MANUFACTURING SECTOR

In 2008–2009 the world faced the greatest economic recession since the Great Depression. Understanding the seriousness of the situation, the Government of Canada moved to protect the Canadian automotive sector as it was threatened with a near total collapse. As a result of the Government's actions, 52,000 high-quality jobs were secured despite the global economic downturn.

The results were significant and lasting. Assembly and parts manufacturing plants added 4,000 jobs in 2014 alone. Additionally, all of Canada's automakers have invested in their operations in the last two years while sales have rebounded and are up more than 20 percent since 2009.

Regional Importance of Manufacturing

One in five workers in more than 360 communities across Canada are employed in manufacturing.

Manufacturing is especially important in small communities where the sector is responsible for more than half of the total employment: e.g. Kingsbury, Quebec (63%), and Lord's Cove, Newfoundland and Labrador (50%).

As for the larger communities, Woodstock, Ontario, has the largest share of workers employed in manufacturing (25%), thanks to a nearly \$2 billion investment Toyota made in 2005 that added 2,400 new jobs. Other communities with a high share of manufacturing include Granby, Quebec (24.6%); Ingersoll, Ontario (24.1%); Saint-Georges, Quebec (23.3%); Tillsonburg, Ontario (22.7%); and Drummondville, Quebec (21.7%).

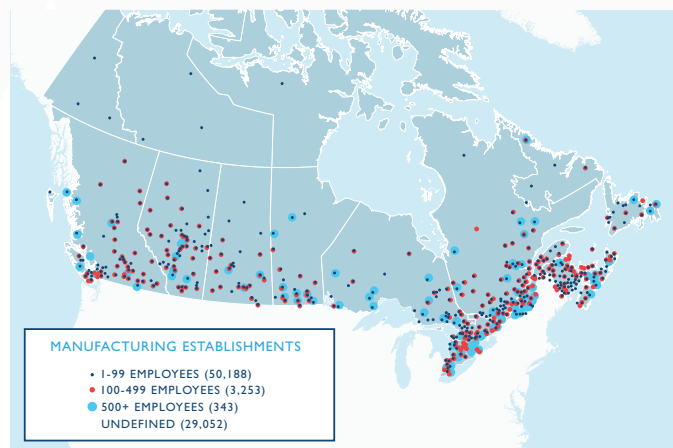
Source: Statistics Canada, National Household Survey 2011

In Toronto, the manufacturing sector is the second largest industry (after finance), accounting for nearly 13% of total economic output.

Source: Toronto Board of Trade

Share of manufacturing employment in major Canadian cities:

- Montréal (10.6%)
- Winnipeg (9.2%)
- Saskatoon (6.6%)
- Vancouver (6.5%)
- Calgary (5.8%)



“Hundreds of other companies, from auto parts suppliers to neighbourhood cafés and dry cleaners, would face a grim future if GM and Chrysler were to disappear from Canada.”

– KEN LEWENZA, PRESIDENT,
CANADIAN AUTO WORKERS (CAW),
[JUNE 2009]

PROMOTING THE MANUFACTURING SECTOR

The Government of Canada's suite of policies—low taxes, global trade opportunities, skills training and strategic investments in new technologies—have helped Canadian manufacturers expand their existing footprint.

Action to support the sector has focused on four key priorities:

- Lowering taxes: Ensuring a competitive business environment
- Opening new markets for Canadian exports: Concluding trade agreements
- Promoting skills training: Training a highly skilled workforce
- Advanced technologies, research and development: Supporting business innovation

CHAPTER I

LOWERING TAXES

ENSURING A COMPETITIVE BUSINESS ENVIRONMENT

Improving business tax competitiveness has long been a priority of the Government. Lower taxes are proven to bring benefits directly to Canadian families and businesses while promoting greater investment in our economy. By lowering business taxes, the Government has given companies the ability to reinvest their hard-earned dollars in their businesses, so they can grow and better compete in the global economy. These actions are having an effect: job-creating businesses will save \$14.7 billion this fiscal year alone.

The Scientific Research and Experimental Development (SR&ED) program provides more than \$3 billion in tax incentives to over 20,000 claimants annually. Manufacturers that have taken advantage of this incentive are able to leverage the support they receive to unlock greater investment from private sector partners.

Tax Support for Manufacturing Investment

A company that manufactures sheet metal products in Vancouver would like to purchase a new computer-controlled machine press that costs \$500,000 to increase its productivity. The accelerated capital cost allowance will allow the business to deduct \$114,500 of the cost of the machine.

The Government has cut taxes across the board for all Canadians. Actions that support Canadian manufacturers include:

- Reducing the corporate income tax rate from 22 percent to 15 percent;
- Expanding the accelerated capital cost allowance (ACCA) for manufacturing businesses that want to invest in new equipment. This tax break will support almost 30,000 businesses, and it received the support of leading business groups, particularly the Canadian Manufacturers and Exporters;
- Eliminating more than 1,800 tariffs on a wide range of products, bringing more than \$450 million in annual tariff relief to Canadian manufacturers; and
- Removing the federal capital tax.

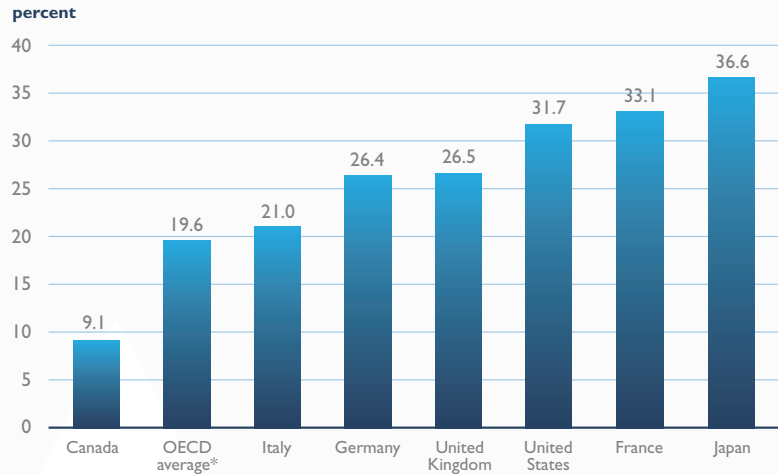
KPMG reported in 2014 that total business tax costs in Canada were the lowest in the G7—46 percent lower than those in the United States. As a result, Canadian manufacturers have the resources available to invest here in Canada, helping create more jobs and grow our economy.



Automotive parts at Linamar Corporation

CANADA LEADS THE G7 WITH THE LOWEST OVERALL TAX RATE ON NEW MANUFACTURING INVESTMENTS

MARGINAL EFFECTIVE TAX RATE ON NEW MANUFACTURING INVESTMENT

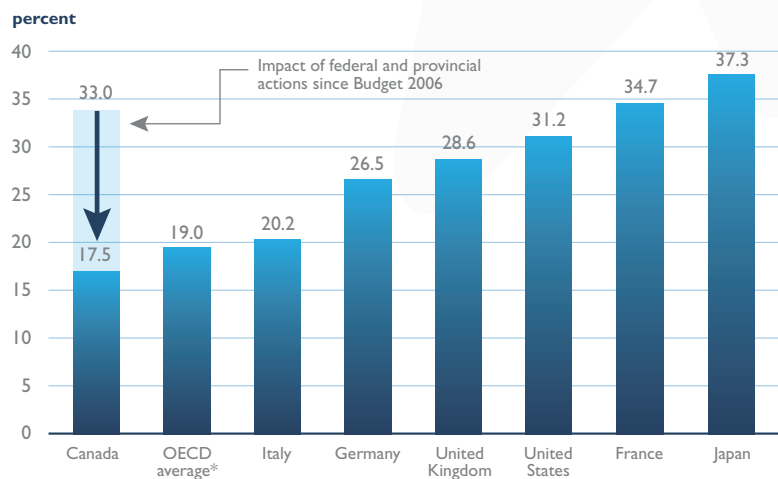


*OECD (Organisation for Economic Co-operation and Development) average excludes Canada.

Source: Department of Finance Canada

CANADA LEADS THE G7 WITH THE LOWEST OVERALL TAX RATE ON NEW BUSINESS INVESTMENT

MARGINAL EFFECTIVE TAX RATE ON NEW BUSINESS INVESTMENT, 2015



*OECD (Organisation for Economic Co-operation and Development) average excludes Canada.

Source: Department of Finance Canada

“[The accelerated capital cost allowance] will encourage manufacturers to grow in Canada by investing in the advanced production technologies required to boost productivity, compete in global markets, and employ Canadians in well-paying jobs.”

– JAYSON MYERS, PRESIDENT & CEO,
CANADIAN MANUFACTURERS &
EXPORTERS (CME) AND CHAIR OF
THE CANADIAN MANUFACTURING
COALITION

SUPPORTING CANADA’S SMALL AND MEDIUM-SIZED MANUFACTURERS

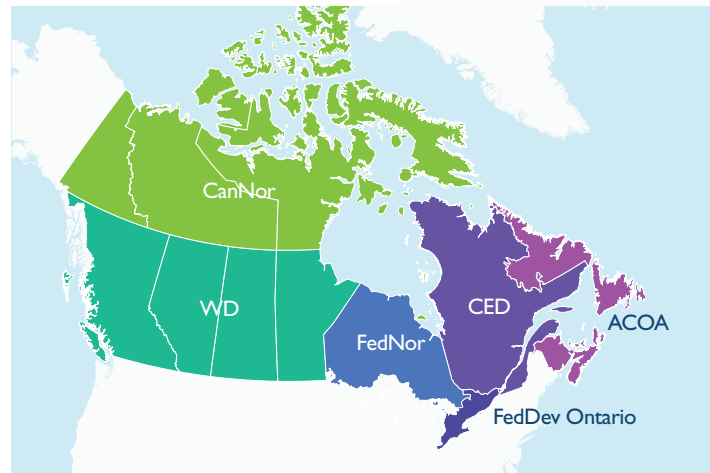
Small and medium-sized **enterprises** employ **more than 60 percent** of all Canadians working in the manufacturing sector, and the Government recognizes the important contribution these companies make to Canada’s GDP.

With the measures announced in Economic Action Plan 2015, the Government is taking action to reduce business tax costs for small businesses by:

- Further reducing the small business tax rate from 11 percent to 9 percent over four years;
- Mandating the six regional economic development agencies to support small and medium-sized manufacturers; and
- Providing a new accelerated capital cost allowance for eligible manufacturing machinery and equipment assets acquired after this year and before 2026.

By 2019, the amount of federal corporate income tax paid by a small business earning \$500,000 will be 46 percent lower than it was in 2006.

Regional Development Agencies across Canada help to support small and medium-sized manufacturers. The assistance provided by each agency can be found on the Federal Departments and Agencies web page (www.feddevontario.gc.ca/eic/site/723.nsf/eng/01690.html).



CHAPTER 2

OPENING NEW MARKETS FOR CANADIAN EXPORTS

CONCLUDING TRADE AGREEMENTS

Access to foreign markets is crucial for Canada's manufacturing sector, which accounts for 61 percent of Canada's total merchandise exports. As the world becomes more connected by trade and technology, the Government has ensured that Canadian manufacturers have new opportunities to grow and expand.

In fact, under the **Global Markets Action Plan**, the Government is concentrating on expanding trade with markets that hold the greatest potential for Canadian manufacturers.

In 2006, Canada had free trade agreements with only five countries. As a result of the Government's ambitious pro-trade agenda, today Canada has free trade agreements with 44 countries, which include two historic agreements: the **Canada–European Union Comprehensive Economic and Trade Agreement (CETA)** and the **Canada–Korea Free Trade Agreement**, Canada's first in Asia. As a result of these two agreements, Canadian manufacturers will soon benefit from access to more than 558 million people in countries with a combined GDP of over \$19.9 trillion.

CANADA'S TRADE AGREEMENTS—2006 VS. 2015

BEFORE 2006

-  Chile
-  Costa Rica
-  Israel
-  Mexico
-  United States

AS OF 2015

- | | | |
|--|---|--|
|  Austria |  Honduras |  Panama |
|  Belgium |  Hungary |  Peru |
|  Bulgaria |  Iceland |  Poland |
|  Colombia |  Ireland |  Portugal |
|  Croatia |  Italy |  Romania |
|  Cyprus |  Jordan |  Slovakia |
|  Czech Republic |  Latvia |  Slovenia |
|  Denmark |  Liechtenstein |  South Korea |
|  Estonia |  Lithuania |  Spain |
|  Finland |  Luxembourg |  Sweden |
|  France |  Malta |  Switzerland |
|  Germany |  Netherlands |  Ukraine |
|  Greece |  Norway |  United Kingdom |

CETA AND FOREIGN MARKETS—DID YOU KNOW?



- THE GOVERNMENT'S AMBITIOUS AGREEMENT WITH THE EU'S 28 MEMBER STATES REPRESENTS 500 MILLION PEOPLE AND ANNUAL ECONOMIC ACTIVITY OF ALMOST **\$18 TRILLION**.



- CETA'S ECONOMIC BENEFITS WOULD BE EQUIVALENT TO ALMOST **80,000** NEW JOBS.



- CETA IS EXPECTED TO **BOOST** CANADA'S INCOME BY \$12 BILLION ANNUALLY AND BILATERAL TRADE BY 20 PERCENT.

TOP 5 CANADIAN MANUFACTURING EXPORT MARKETS



Source: Statistics Canada.

"This is the Wayne Gretzky of trade deals. [...] The modest economic analysis of CETA indicates that this will create 80,000 new jobs for Canadians. Put another way, that represents a boost in bilateral trade by 20 percent and an injection of \$12 billion into the Canadian economy on an annual basis."

– JAYSON MYERS, PRESIDENT & CEO, CANADIAN MANUFACTURERS & EXPORTERS (CME) AND CHAIR OF THE CANADIAN MANUFACTURING COALITION

In addition to these important new trade agreements being established, action has been taken to help lower costs for Canadian manufacturers as they work to expand into the global marketplace.

Specifically, Canada eliminated more than 1,800 tariffs on a diversity of products. This brought more than \$450 million in annual tariff relief to Canadian manufacturers. In eliminating all remaining tariffs on imported machinery and equipment and manufacturing inputs, Canada is now the first tariff-free zone for industrial manufacturers in the G20.

To support Canadian businesses expanding abroad, Economic Action Plan 2015 also commits:

- \$42 million over five years to expand the Canadian Trade Commissioner Service to assist in advancing Canadian commercial interests abroad; and
- \$50 million over five years in direct financial assistance to help small and medium-sized enterprises (SME) develop new export opportunities.

The CETA Effect: Manufacturers Are Seeing the Opportunities and Making Investments

In March 2015, Honda Canada Inc. announced that its manufacturing facility in Alliston, Ontario, will produce the next-generation CR-V model destined for the European Union (EU) market. Honda Canada's decision was made possible by the historic market access provided by the Canada-EU trade agreement, which is paving the way for increased Canadian exports to the world's largest integrated market of more than 500 million consumers. This will be the first time that Honda Canada will export vehicles to Europe. This project, along with Honda's current operations, will continue to protect high-quality and well-paying jobs.

New Export Development Canada Initiatives for Canadian Small Businesses

Export Development Canada (EDC) assists small manufacturers by helping the companies export to new markets or increase exports within an existing market. Over the last year, EDC has assisted more than 6,100 SMEs by expanding their business in emerging markets, ultimately helping to create new jobs for Canadians here at home.

Information about EDC's new and existing services can be found on the Export Development Canada website (www.edc.ca).



Toyota Motor Manufacturing Canada plant

THE GORDIE HOWE INTERNATIONAL BRIDGE

The Windsor–Detroit trade corridor is the busiest commercial land border crossing on the Canada–U.S. border, handling 31 percent of Canada–U.S. trade carried by truck. In 2014, approximately 2.5 million trucks carrying over \$100 billion in trade used this corridor. The Government of Canada has been working towards building a new international crossing between Windsor, Ontario, and Detroit, Michigan, in recognition that an efficient and secure corridor is essential to the competitiveness of the manufacturing sector. On May 14, 2015, Prime Minister Stephen Harper announced that the future publicly owned bridge between Windsor and Detroit will be named the Gordie Howe International Bridge.

The Government is providing \$631 million over two years to build the new crossing, of which \$470 million over two years was provided by Economic Action Plan 2014 to support necessary procurement and project delivery activities.

The Gordie Howe International Bridge is expected to be completed and in service by 2020. It will accelerate the flow of goods and services and provide a much-needed crossing alternative at the busiest Canada–U.S. commercial border crossing, creating thousands of jobs and opportunities on both sides of the border. The new crossing will help spur economic activity in southern Ontario and improve transportation efficiency between the U.S. and Ontario, Quebec and Eastern Canada.

CHAPTER 3

PROMOTING SKILLS TRAINING

TRAINING A HIGHLY SKILLED WORKFORCE

Today's manufacturing jobs are different from those of the past. While workers can still count on reliable and high-paying jobs, many workers are now required to be highly skilled in their field of trade.

Collectively the manufacturing sector pays \$1.85 billion weekly in salaries to Canadian workers, more than any other sector in the Canadian economy. In order for manufacturers to continue to create jobs and grow our economy, they need to be confident that Canadians have the skills that are most in demand. In recent years, this has meant taking steps to modernize skills training to better equip Canadians with the skills needed to succeed.

To help Canadians working in the manufacturing sector learn the skills they need, the Government:

Profile: Seaspan Shipyards

Seaspan, which employs more than 2,000 people, is a diverse Canadian industrial marine enterprise primarily involved in coastal and deep sea transportation and bunkering and offers the West Coast's leading ship repair and shipbuilding services. The governments of Canada and British Columbia will provide more than \$582,000 in Canada Job Grant funding to Seaspan Shipyards to help 260 workers gain shipbuilding skills.

As a result of Canada Job Grant funding, Seaspan Shipyards employees will benefit from state-of-the-art e-learning tools fundamental to the shipyard's current and future training requirements under the National Shipbuilding Procurement Strategy, with a particular focus on machine-specific operations, docking processes, metal fabrication, steel forming, paint processes and rigging.

- Created the Canada Job Grant. This employer-driven approach provides up to \$15,000 per person for training costs that help Canadians gain the skills needed in today's job market. Upon full implementation, nearly 130,000 Canadians each year are expected to be able to access the training they need to get gainful employment or improve their skills for in-demand jobs.

In addition, further targeted action has been taken to support Canadians looking to gain additional skills. This includes introducing new support programs for apprentices and working with provincial and territorial partners to renegotiate the \$1.95-billion-per-year Labour Market Development Agreements.

The Government also committed to a number of important initiatives in Economic Action Plan 2015, including:

- Providing \$65 million over four years to businesses and industry associations to enable them to work with post-secondary institutions to better align curricula with the needs of employers;
- Supporting the next generation of industry leaders through a \$56.4 million investment over four years in Mitacs for graduate-level industrial internships; and
- Reallocating \$4 million over two years to launch a new one-stop national labour market information portal.

“The Factory of the Future program will be a valuable resource for our region’s advanced manufacturing sector, which employs over 30,000 people. Innovative new technologies, equipment and expertise will help local manufacturers be competitive in the global marketplace.”

– KAPIL LAKHOTIA, CHIEF EXECUTIVE OFFICER OF THE LONDON ECONOMIC DEVELOPMENT CORPORATION

National Research Council’s Factory of the Future

On November 24, 2014, the Prime Minister announced a \$5.8 billion investment in infrastructure projects across the country. As part of this announcement, the National Research Council of Canada (NRC) received up to \$70 million for the Factory of the Future program. Of this, \$60 million will support the building of a new facility in Winnipeg, Manitoba, while an additional \$10 million will go towards upgrading facilities in London, Ontario, and Montréal, Quebec.

The NRC's new facility in Winnipeg will provide Canadian manufacturers with access to various research tools, including process design, simulation and integration, maintenance, repair and overhaul research, and manufacturing life cycle assessment. In addition, the facility will offer a flexible manufacturing pilot train laboratory as well as support the development of advanced manufacturing systems engineering and composites and biocomposites.

Supporting Training Across Canada

VMAC Global Technology Inc. is a manufacturer located in Nanaimo, British Columbia that produces vehicle-mounted mobile air compressor solutions used for service trucks, public works, utilities, highway/heavy construction, oil and mining. The Canada Job Grant will allow the company to train a total of 23 current employees in sales, manufacturing, leadership development and supply chain technology.

This training is helping the company position itself for success in the global market. “VMAC is very aware of the importance of investing in the training and education of our team members and their skill sets in order to grow our position within the manufacturing industry,” says Jim Hogan, VMAC’s President. “The Canada Job Grant has provided us with the opportunity to continually invest in our employees, resulting in a highly skilled and knowledgeable team while also giving us a competitive advantage within a global capacity.”

Across British Columbia, approximately 7,360 workers are receiving training through the Canada Job Grant. To date, over 1,400 employers have been approved for funding to train employees in British Columbia.

CHAPTER 4

ADVANCED TECHNOLOGIES, RESEARCH AND DEVELOPMENT

SUPPORTING BUSINESS INNOVATION

Since 2006, the Government has invested more than \$13 billion in new funding for research and development, and Canadian manufacturers are the country's leading investors in new technologies. In a sector that depends on new ideas to meet evolving consumer demand, the Government must play an important role in supporting the development of new technologies. Recognizing the importance of the manufacturing sector to the Canadian economy, the Government has introduced a number of sector-specific measures that are helping manufacturers sell new technologies to Canadian consumers.

These include:

- \$950 million for the **Automotive Innovation Fund (AIF)**
- \$1 billion for the **Strategic Aerospace and Defence Initiative (SADI)**
- \$100 million for a **new Automotive Supplier Innovation Program (ASIP)**
- \$110 million over four years and \$55 million per year thereafter for the **Technology Demonstration Program for aerospace, defence and space**
- \$920 million for the Federal Economic Development Agency for Southern Ontario, including \$200 million for the new **Advanced Manufacturing Fund (AMF)**
- More than \$1 billion (in 2015–16) to support the regional development agencies:
 - **Atlantic Canada Opportunities Agency (ACOA)**
 - **Canada Economic Development for Quebec Regions (CED)**
 - **Canadian Northern Economic Development Agency (CanNor)**
 - **Federal Economic Development Agency for Southern Ontario (FedDev Ontario)**
 - **FedNor**
 - **Western Economic Diversification Canada (WD)**
- \$400 million under the **Venture Capital Action Plan** to increase financing for innovative, high-growth companies
- \$1.5 billion for the **Canada First Research Excellence Fund** to support research commercialization



Honda Canada manufacturing plant

Paying Dividends: Government Support for Automotive Innovation Drives Investment

In February 2015, Ford Motor Company of Canada launched production of its all-new 2015 Ford Edge, which will be manufactured on a new flexible platform at the company's Oakville facility. The factory, which employs about 4,500 people, was supported by a \$71.6-million repayable contribution under the Automotive Innovation Fund (AIF) in 2013 to support the transformation of plant into a state-of-the-art global manufacturing facility. The new flexible platform will enable Ford to innovate, compete and quickly adjust to changing market conditions.

The Government's contribution helped leverage a \$716-million investment from the company in southern Ontario, securing Ford's global manufacturing footprint in Canada. Ford's investment is part of a planned investment of up to \$1.1 billion over 10 years in its Oakville Assembly Complex.

ADVANCED MANUFACTURING

In Economic Action Plan 2013, the Government provided \$920 million for the Federal Economic Development Agency for Southern Ontario. As part of this funding, the Government created the \$200 million **Advanced Manufacturing Fund** to support new and innovative products or production methods in all of Ontario. The program invests in advanced manufacturing in Ontario and contributes directly to an innovative and sustainable manufacturing base that will continue to be an important economic driver for prosperity.

Profile: Fibracast

Fibracast, a Hamilton-based manufacturer of advanced membrane technologies used in water treatment, will receive \$10 million in support from FedDev Ontario's Advanced Manufacturing Fund to ramp up commercial scale production of Fibracast's FibrePlate technology in Ontario. Its technology aims to strengthen the water management infrastructure cluster and grow the clean-tech industrial base in Ontario.

Fibracast's unique hybrid membrane filtration technology offers water treatment plants improved filtration performance, stronger membranes and better space efficiency, all at less cost than existing membrane filtration technologies. Funding will be used to scale up production capacity, which includes plans to lease facilities in southern Ontario in order to meet expected volumes of 750,000 square metres of membrane material by 2016 and up to 2 million square metres by 2018.



Prime Minister Stephen Harper at the UTi Canada shipping solutions warehouse

INDUSTRIAL RESEARCH ASSISTANCE PROGRAM

Economic Action Plan 2012 provided an additional \$110 million per year to offer support to companies through the National Research Council's Industrial Research Assistance Program (IRAP). In 2014–15, IRAP funded about 1,000 internships with innovative small and medium-sized companies, involving total support of \$20 million, including \$15 million from the Youth Employment Strategy.

“Unimaginable discoveries about our universe will come from this observatory, which is on the cutting edge of technological innovation. Our engineers and steel fabricators are honoured to be a part of it. All Canadians can be proud of the leadership role played by Canadian scientists and industry in the field of astronomy.”

– GUY NELSON, EXECUTIVE CHAIRMAN OF EMPIRE INDUSTRIES AND CEO OF ITS WHOLLY OWNED DIVISION, DYNAMIC STRUCTURES

Profile: Dynamic Structures

Dynamic Structures designs and builds complex mechanical systems and specialty structures for world-class telescopes, theme park rides and bridges. It was selected to design, build and deliver the Thirty Meter Telescope's precision-steel enclosure—the spherical outer shell that will rotate on two planes to allow the opening of the dome to be perfectly located over the telescope. This novel design will shield the instrument from temperature variations and wind.

The Thirty Meter Telescope is an international project to build one of the world's largest and most advanced astronomical observatories, which will be located in Hawaii. It is expected to lead the next wave of scientific discoveries. The project is an international collaboration involving the United States, Japan, China and India. The telescope enclosure will be built and delivered by Dynamic Structures, and cutting-edge adaptive optics technologies will be developed by the National Research Council of Canada in collaboration with Canadian companies.

National Research Council: Transforming to Advance Business Innovation

Economic Action Plan 2012 announced the transformation of the National Research Council into a research and technology organization focused on helping Canadian businesses develop new technologies. The Council partners with Canadian businesses in developing and deploying new technologies that enable the successful commercialization of products and services across the manufacturing sector.

“As a proud Canadian tooling supplier of Linamar for some 35 years, we are excited to hear of this new (government) investment. It will help fuel Linamar’s growth in this region, creating local jobs not only within the company but also within the supply chain.”

– JOHN DUFFY, PRESIDENT, TRIUMPH TOOL LTD.



Transport Minister Lisa Raitt at Linamar Corporation

CANADA’S AUTOMOTIVE INDUSTRY

Canada’s automotive industry is integral to the overall strength of the economy and linked to more than 500,000 jobs across Canada. The Government’s support for the auto sector is focused on projects that secure high-value jobs and deliver long-term economic benefits to Canada.

The new \$100 million **Automotive Supplier Innovation Program (ASIP)** provides Canada’s automotive-parts suppliers with support to move new cutting-edge technologies from the lab to the marketplace. The program complements the **Automotive Innovation Fund (AIF)**, which the Government first introduced in 2008, renewed in 2013 and then doubled in 2014. Since 2008, the AIF has leveraged almost \$2.8 billion in investments. The Government has also worked to secure private sector investments in the automotive sector totalling more than \$4 billion since 2006.

To build on the suite of policies Canada has to attract investment, the Government of Canada is engaging with a new industry-led committee dedicated to investment attraction. The Canadian Automotive Partnership Council committee will advise the Government on how to promote Canada as the destination of choice for automotive investment.

Profile: Linamar Corporation

Linamar, based in Guelph, Ontario, is one of Canada’s largest automobile parts manufacturers. The company also produces automotive parts and supplies in industrial markets across the globe. Linamar chose to take advantage of Canada’s low taxes and global trade opportunities to produce fuel-efficient powertrain components for next generation transmissions. The project provides short- and long-term economic benefits to Canada, leading to the creation of 1,200 jobs and a \$500 million investment by Linamar.



Industry Minister James Moore with John Saabas,
President of Pratt & Whitney Canada

CANADA'S AEROSPACE SECTOR

Canada's aerospace sector is a global leader, and in 2014 it contributed more than \$29 billion to our GDP and 180,000 jobs to the Canadian economy. The Government has taken significant action to support the sector including:

- Committing \$30 million to establish the **Consortium for Aerospace Research and Innovation in Canada (CARIC)**. This industry-led research network is a not-for-profit organization that promotes collaborative aerospace research by providing financial support for smaller-scale, earlier-stage R&D projects.
- Creating the **Technology Demonstration Program** to support large-scale projects in the aerospace, defence, space and security sectors. The program will support technological development in areas that have significant potential for long-term economic benefits to Canada and are expected to define next-generation aerospace technologies.
- Providing \$1 billion to the **Strategic Aerospace and Defence Initiative (SADI)**, a program that supports R&D projects in the aerospace, space, defence and security sectors. SADI funding enhances the competitiveness of these sectors by encouraging companies to develop new or improved products.
- Providing \$6 million, through Economic Action Plan 2015, to support a national **supplier development program** to improve the performance and competitiveness of aerospace firms.

Profile: Pratt & Whitney Canada

Headquartered in Longueuil, Quebec, Pratt & Whitney Canada is a world leader in the design and production of next generation aircraft engines. Since 1928, the company has made aircraft engines in Canada that have propelled aircrafts around the world.

In December 2014, the Government announced a repayable contribution of \$300 million to support research and development by Pratt & Whitney Canada through the Strategic Aerospace and Defence Initiative. Pratt and Whitney Canada is developing new technologies that will help reduce the noise, weight, emissions, carbon footprint and environmental impact of new aircraft engines by creating lighter, quieter engines.

This project will maintain nearly 1,500 Canadian R&D jobs over the next five years and help ensure that Pratt & Whitney's nearly 6,000 Canadian employees will do what they do best—innovate—right here in Canada. The project will also benefit Pratt and Whitney Canada's vast supply chain, which numbers more than 1,200 companies. More than 65 Canadian suppliers will contribute to this work.



Dextre, the Canadian Space Agency's robotic handyman, ferries cargo from the Kounotori2 cargo ship to the International Space Station in February 2011. (Credit: NASA)

“Canada’s contribution to the international space community is essential to our ability to continue to influence the future of space utilization and exploration. The extension of Canada’s commitment to the International Space Station until 2024 signals to our industry that Canada’s future in space is a priority for the government. This is another important step as we continue to move towards a cohesive long-term vision for Canada’s future in space, and we look forward to working closely with the government on this important file forward in the months ahead.”

– JIM QUICK, PRESIDENT & CEO,
AEROSPACE INDUSTRIES ASSOCIATION
OF CANADA (AIAC)

SPACE

Canada is a leader in international space exploration. To be a leader in space, Canada must maintain a world-class manufacturing sector. The world-famous Canadarms and Dextre helped to build the International Space Station (ISS), and we were the first country to have our own communications satellite and the third to put our own research satellite in orbit. The Government of Canada has taken steps to ensure that we will remain at the forefront of space technology:

- Canada will extend its **participation in the ISS through 2024**, which could mean new **opportunities for Canadian industry**, including firms that provide support for Canadarm2, Dextre and the mobile base on the ISS.
- An additional \$30 million over four years, starting in 2016–17, to support cutting-edge research and technology development in Canada’s satellite communications sector. This investment will go to support the **European Space Agency’s Advanced Research in Telecommunications System program—ARTES**.
- The Government recently announced \$243.5 million in support of Canada’s participation in the **Thirty Meter Telescope project**. This will be the largest and most powerful earth telescope ever built and has the potential to transform astronomers’ understanding of the universe. Canadian companies will help build and design it.
- The **Space Technology Development Program (STDP)** will continue to contribute to the development of industry capabilities by investing in new space technologies, further enhancing Canadian expertise and talent and ensuring the industry’s responsiveness to future market demands while maintaining its global competitiveness.