



THE GLOBAL AEROSPACE INDUSTRY INVESTS IN ONTARIO

TOP 5 REASONS TO INVEST IN ONTARIO

Ontario, Canada's aerospace industry is flying high, with a diverse ecosystem of over 200 local and foreign companies that are succeeding on a global scale and supplying components to more than 125 aerospace programs around the world. In fact, 14 of the world's top 25 aerospace companies have operations in Ontario.

Why are so many aerospace companies choosing to invest in Ontario? The answer is simple: it's a great idea. With a century-long history of excellence in aerospace, Ontario provides an ideal environment for companies looking to build and grow in this industry. Whether you're an OEM, a Tier 1 integrator or a sub-contract supplier, you'll find everything you need to succeed in Ontario.

1. A broad supply chain

Ontario's diverse aerospace industry provides faster, superior solutions across the entire supply chain. Our companies manufacture regional, business and special-purpose aircraft, turbine engines, landing gear systems, aerospace structures, and electrical systems. With such a broad range of capabilities all in one place, Ontario makes it more efficient and cost-effective for you to operate and grow your business.

2. An exceptional workforce

You'll find the talent and expertise you need to innovate and succeed right here in Ontario. Our aerospace industry boasts more than 17,000 skilled workers. Our universities and colleges continue to produce a steady stream of talent through more than 40 aerospace and aviation-related programs, including degrees in aerospace engineering.

With 64 per cent of its population possessing post-secondary education, Ontario has one of the world's best educated workforces, ranking ahead of the United States, the United Kingdom, Germany, France and Japan. Our largest city, Toronto, tops AON Consulting's People Risk Index Ratings, which compares 90 global cities in five risk areas: demographic, government support, education, talent development and employment practices.

Ontario aerospace companies service the supply chain end-to-end:	
Aircraft integration and assembly	Bombardier (Q400, Global Series, CL-415)
Aircraft customization	Flying Colours Corp
Helicopters	Airbus Helicopters Canada
Engine systems	Pratt & Whitney Canada
Structural components	Arnprior Aerospace, Magellan Aerospace, Mitsubishi Heavy Industries Canada Aerospace
Landing gear systems	Héroux-Devtek, Messier-Bugatti-Dowty, Sumitomo Precision Products Canada Aircraft, UTC Aerospace Systems – Landing Gear
Avionics	Honeywell
Electronic systems	CMC Electronics, L-3 Communications, Safran Electronics Canada, TrueNorth Avionics
Composite component manufacturing	Apex Composites, Fleet Canada
Maintenance, Repair and Overhaul (MRO)	Kelowna Flightcraft, Premier Aviation, Voyageur Airways
Satellites and space robotics	COM DEV, Neptec Design Group, MDA
Unmanned aerial vehicles	Aeryon Labs

Who's investing in Ontario?

Sumitomo Precision Products

Ontario recently became home to Sumitomo Precision Products' new production facility for aerospace landing gear, and will soon become the Japanese company's global headquarters for its aerospace division. The Mississauga-based production facility officially opened in 2013. www.spp-ca.com



MHI Canada Aerospace

MHI Canada Aerospace, a subsidiary of Japan-based Mitsubishi Heavy Industries, is building and growing in Ontario. In 2008, the manufacturer of major airframe components such as wings and fuselage for Bombardier Aerospace, built a new facility in Mississauga, where it employed approximately 200 workers. In 2012, MHI Canada Aerospace expanded into a new facility and is doubling its size in Ontario. www.mhi-global.com



— MAKE ONTARIO, CANADA —
**YOUR NEXT
 BIG IDEA**

3. Generous R&D tax incentives

Ongoing innovation is an imperative in aerospace. As an Ontario business, you'll find it easier and more affordable to innovate and stay competitive in your market. Businesses here have access to the most generous R&D tax credits program of the G7 countries. This program, which covers a wider range of deductions than in many other jurisdictions and lets you carry forward tax credits for 20 years, can reduce your after-tax cost for every \$100 in R&D spending to between \$61 and \$37.

Canada also offers a range of aerospace R&D support programs through the Strategic Aerospace and Defence Initiative, the Industrial Research Assistance Program, the National Research Council, and the recently announced \$110-million Aerospace Technology Demonstration Program.

4. At the heart of North America

Being in Ontario puts you at the heart of North America, and right in the centre of one of the world's biggest and richest aerospace markets. Our strategic location, combined with our extensive transportation infrastructure, lets you bring your products to market faster and more cost-effectively. Ontario is home to Toronto's Pearson International Airport, Canada's busiest flight hub with 75 airlines offering frequent service to 108 destinations in the U.S. and around the world. We're just a two-hour flight from major US centres such as New York, Atlanta and Washington, and a direct flight to European and Asian destinations.

When you set up shop in Ontario, you become part of the US\$19-trillion market under the North American Free Trade Agreement, which gives Ontario companies secure access to U.S. and Mexican markets, and government procurement programs. You'll also have access to U.S. military projects through special trade agreements – such as defence development and production sharing agreements – and specific exemptions under U.S. International Traffic in Arms Regulation.

5. Competitive business costs

You'll get more for your money in Ontario, one of the most cost-competitive locations for aerospace manufacturing. Aircraft parts manufacturing costs in Canada are lower than in any G7 nation. What's more, our combined federal-provincial corporate income tax rate is almost 13 percentage points below the U.S. average. Labour costs in Canada are among the lowest of the G7 countries, according to KPMG's *Competitive Alternatives 2014*.

The same report found manufacturing costs in Ontario's aerospace cluster in Toronto to be lower than in many large clusters in the U.S., including Seattle and Wichita. Toronto is also more cost competitive than international sites such as Tokyo, London or Paris.



Aerospace in Ontario: A snapshot

- 200 companies
- 17,000 employees
- \$5.3 billion in annual sales with nearly 80% in exports to customers and project partners around the world.

The Bottom Line

It's no surprise that 14 of the world's top 25 aerospace companies have chosen to build and grow their operations in Ontario. With its broad supply chain, exceptional talent, top-ranking R&D tax incentives, proximity to market and competitive business costs, Ontario provides an environment where businesses can take off – and soar to great heights.

For more information about investing in Ontario:

Visit us: InvestInOntario.com/Aerospace

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All figures are in Canadian dollars unless noted otherwise.

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