

OPINION

Canadian aerospace at the crossroads

By KIMBERLEY VAN VLIET NOVEMBER 26, 2020

The road to post-COVID-19 recovery.



What would help accelerate growth in both the aerospace and space sectors is a national strategy. We need to come together to implement the necessary programs and policies, and this will include putting aside regional, sectarian self-interests and continue the strong levels of collaboration and cooperation, not only across the country, but also across industries. All sectors have technologies that can help the aerospace industry implement a strong COVID-19 recovery plan. *Photograph courtesy of Pixabay*

Canada's space and aerospace industries will need special attention in a post-COVID world as they do their part to help jumpstart the Canadian economy. The benefit is that by doing so, Canada can also accelerate its green energy agenda.

COVID-19 has hit the aerospace industry especially hard.

The airline sector has lost about 85 to 90 per cent of its revenue due to the pandemic with so few passengers flying. As it stands right now, there is no expectation that the number of kilometers travelled by paying passengers (RPK—Revenue Passenger Kilometers) will recover before 2025. This has ripple effects in revenue for airports and even NAV CANADA, Canada's national air traffic controller.

There has never been such a long period of negative growth.

According to the federal government's 2019 [State of the Canadian Aerospace Industry](#), the Canadian aerospace industry contributed over \$25-billion in GDP and invested \$1.4-billion in research and development into the Canadian economy. This is second only to the [energy sector](#) at \$219-billion in GDP and \$1.5-billion in research and development.

Aerospace is also a sector that employs a large number of very skilled people, making it critically important for the future of our country.

The sector also has a pan-Canadian presence. While most aerospace manufacturing takes place in central Canada, the Western and Atlantic regions have captured over 50 per cent of maintenance repair and overhaul activities.

What then can be done to save Canada's aerospace industry from this historic free-fall?

A recent report on the aerospace industry by international management consultants [Roland Berger](#) looked at the impact of COVID-19 on the aerospace sector and possible ways forward. They recommend three areas which could help improve the sector post-COVID.

The first is to streamline and advance the processing of export permits, helping to solve the problem of a lack of transparency and long backlogs. The second recommendation is to increase spending in defence, which Canada is already working on, such as the Canadian Surface Combatant and the Arctic Offshore Patrol Vessels. Finally, they recommended the adoption of carbon neutral planes, such as green turboprops, to help consolidate supply chains.

Green and clean-tech is a key area for future growth in the aerospace sector. While many countries are now focused on greener technologies with respect to air transportation, this demand will only continue to grow.

Even before the pandemic hit, the aerospace sector was working to decrease greenhouse gas emissions. There is increasing pressure to make real progress on climate change, focusing not only on traditional transport sector areas (cars, trucks, ships, rail) but also on the aviation sector.

Canada can take advantage of this generational opportunity to bolster its climate change efforts and position itself as an international leader.

What of Canada's space sector?

There is good news here, as it will continue to build on the successes of the past 20 years. This sector is well-placed for growth, especially with Canada's involvement with projects like [the Lunar Gateway](#) that continue to highlight Canada's expertise in robotics and other related areas.

Space is also an excellent venue for research and development that can have real-world impacts back on Earth. The space industry helps develop GPS, GIS, weather satellites, communication satellites, and Earth observation satellites; infrastructure that can serve alternate purposes on Earth. Canada's future economy depends on a strong space industry.

What would help accelerate growth in both the aerospace and space sectors is a national strategy.

We need to come together to implement the necessary programs and policies, and this will include putting aside regional, sectarian self-interests and continue the strong levels of collaboration and cooperation, not only across the country, but also across industries. All sectors have technologies that can help the aerospace industry implement a strong COVID-19 recovery plan.

By doing so, not only can we support all regions in Canada, but also protect our supply chain and businesses, be they small, medium or large.

Kimberley Van Vliet is the founder and president of WāVv Inc. and was named one of the Top 20 Women in Defence by Esprit de Corps magazine. She is a member of the NATO Industrial Advisory Group and the founder of ConvergX®, an annual cross-sector business congress.

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