

Aerospace Sector Profile

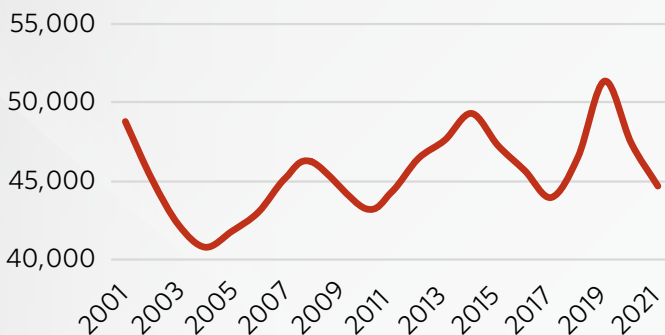
Sector Facts and Figures

Total GDP <i>Share of Canadian GDP</i>	\$6.1 billion 0.31%
Exports	\$15.4 billion
Imports	\$12.9 billion
Foreign Trade Balance <i>5-year change</i>	\$2.5 billion 381.8%
Total Employment <i>Change since 2011</i>	44,700 +0.85%
Real wage growth (2011-2019)	+6.2%
Labour Productivity (2019)	\$71.4/hr
Average Work Hours/Week (2019)	36.9
Greenhouse Gas Emissions (2019) <i>Change since 2009</i> <i>Share of Canadian industry total</i>	314kt +51.7% 0.05%
Union Coverage Rate	27%
Unifor Members in the Industry	11,100
Share of Total Unifor Membership	3%
Number of Unifor Bargaining Units	30
Average Bargaining Unit Size	370

Current Conditions

While Canada's aerospace industry has remained relatively resilient in the last decades, the journey has been anything but smooth. Employment in the industry has been on an upward trajectory since 2005 but the pattern has been quite cyclical with periods of boom and bust for workers across the country. The aerospace manufacturing sector employed more than 50,000 people in 2019 before plunging to less than 45,000 in 2021. More than 30,000 people worked in overhaul and maintenance of aircraft in 2020, down a full 20% from 2019.

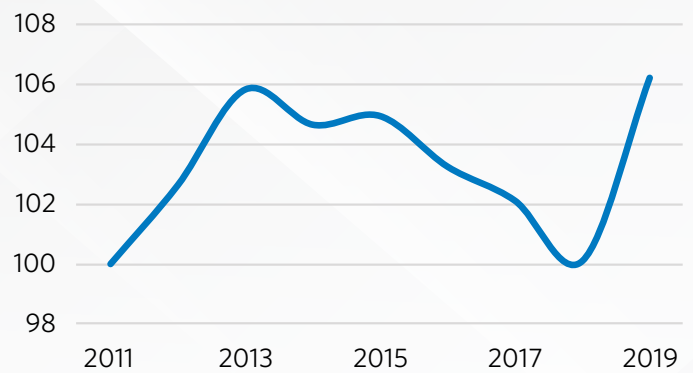
Aerospace manufacturing employment, 2001 - 2021



The COVID-19 pandemic and accompanying global travel restrictions have had a cascading negative effect on the aerospace industry, as orders for large commercial aircraft dried up and supply chain issues took hold. Orders are starting to come back on-line but it remains to be seen whether the industry will fully recover.

In 2021, Unifor's Aerospace Council engaged in lobbying efforts to bring attention to the ongoing crisis in the Aerospace industry. That effort resulted in

Aerospace: Real wages (2011=100)



\$2 billion in investments from the federal government to encourage green technology development and support industrial recovery.

The industry's contributions to GDP has declined in the last few years, falling by 15% since 2016 to \$6.1 billion in the aerospace manufacturing sector and \$4.4 billion in overhaul and maintenance. The industry consistently runs trade surpluses, with the trade balance nearly quadrupling in the last five years.

The aerospace industry is a source of high quality employment for workers across the country. After declining between 2013 and 2018, the average hourly wage was on the rise again in 2019. Labour productivity followed a similar pattern. However, there is also evidence that temporary employment agencies are taking hold in the industry and creeping into our workplaces. This is raising concerns from union members since temporary workers are often paid less than permanent unionized workers and relying on temporary jobs creates a two-tiered employment structure that breeds division instead of solidarity.

Unifor in the Aerospace Industry

Select Unifor Employers	Approx. # Members
Bombardier Canada	4,000
Pratt & Whitney Canada	2,300
Boeing of Canada	1,050
I.M.P. Group Ltd.	450
Cascade	450
CMC Electronics	400

Unifor represents more than 11,000 aerospace workers across Canada performing highly specialized jobs in diverse workplaces and sub-industries including commercial, military and space exploration. Unifor aerospace members are highly skilled and rigorously trained.

Unifor members design, build and finish commercial and utility aircraft; build component parts for commercial and defence aircraft; conduct overhaul and maintenance work on civilian, military and government aircraft; design and manufacturing simulators and training devices for a range of commercial and military aircraft and are engaged in the production of satellites and robotics for space exploration.

Unifor has 30 bargaining units at 23 employers, making up 3% of Unifor membership. The industry has a fairly high rate of unionization with overall union coverage sitting at about 27%.

Moving Forward: Developing the Aerospace Industry

Canada's aerospace industry is an important leader in the advanced manufacturing ecosystem. The industry invests the highest share of expenditures on research and development compared to other advanced manufacturing sectors. It invests heavily in advanced technologies and materials for use in the defence and space exploration industries that often make their way to consumer markets. Fostering and enhancing this industry should be an imperative for governments at all levels.

Workforce development and planning is critical. Governments must ensure the existing workforce is sufficiently trained for current and future technologies as well as ensuring training capacity is sufficient to meet anticipated growth.

Capitalizing on Canadian skills and capabilities is crucial and can be done by ensuring procurement of government, military and emergency response aircraft are filled by Canadian companies with the skills and expertise to meet tactical requirements.

Governments at the federal and provincial levels need to maximize returns on current R&D investments. Just as important is

expanding both the funding amounts available and the scope of eligible activities to develop the technology that will sustain and grow the aerospace industry while supporting the air transport sector to transition to greener, cleaner travel.

All of these goals must be brought under the umbrella of a National Aerospace Industrial Strategy to ensure the industry recovers from the COVID-19 pandemic's economic effects and emerges even stronger with high quality employment, a strong and resilient supply chain, thriving commercial and defence sectors and multi-stakeholder engagement.

Major Sector Development Issues

- Workforce development: Recruit and retain the highly skilled aerospace workforce the aerospace industry needs to continue to grow.
- Canadian content: Maximize the capabilities of Canadian aerospace companies in filling orders for government, military and emergency response aircraft.
- National Aerospace Industrial Strategy: Formalize a strategy to build a robust aerospace industry in Canada.
- Research and development: Maximize and expand R&D funding from federal and provincial governments.