Montreal Aeronautics
Post-Fordism

• A great deal of traditional manufacturing in Canada faces competition from lower waged economies
• But some manufacturing is based on high quality, not low wages
• Germany follows this strategy
• And Montreal’s aeronautics hub
Ben Hassan et al 2011

• Strong clustering of aeronautics in Montreal
• Aeronautics tends to cluster
• Emphasis on high-technology, high-value, high-quality manufacturing, servicing.
Montreal

• In the 1980s was in manufacturing decline
• Traditional manufacturing shedding workforce, relocating, shutting down
• Industries decentralizing
• Needed to revive its economic base
• Government chose to focus on aeronautics
Montreal Aeronautics

• Aeronautic industries started in 1920s-1930s
• Canadian Vickers/Canadair (1920s)
• CAE Ltd (1947)
• Pratt & Whitney
• Bombardier becomes dominant player in 1980s
Montreal

• Has 87-98% of Quebec’s aeronautics
• 2009: $12.4 Bn of business, 40,200 workers, 235 firms
Figure 1
Aeronautics firms in the Montreal metropolitan region, 2010
SOURCE: based on primary data extracted from the MDEIE directory (MDEIE 2008)
Bombardier

• Focussing on high-tech niche aircraft
• Q400s turboprops for efficient short-haul passenger traffic
• C-series jets for efficient medium-haul passenger traffic
• CRJ Canada Regional Jets, plus business jets
• Requires global markets
• Competition from ATR on turboprops and from Embraer on regional jets
• Faced with US protectionism Bombardier cut a deal with Airbus to build the C-Series, with some assembly in USA
**Airbus**

- Took a 51% stake in Bombardier’s C-Series business in 2017
  - Bombardier: 31%; Investment Quebec: 19% stakes
- Much of the manufacturing remains in Montreal aeronautics hub
- C-Series becomes Airbus A220:
- Airbus secures 537 firm orders, 227 options for A220 series
  - Delta Airlines taking 90, Moxy and JetBlue taking 60 each
- Airbus has a **total order book of 7,525 aircraft** ordered and yet to be delivered
Montreal Aeronautics Hub

• Now seems to have a future bound up with Airbus