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**Canadian Aerospace Partnership
FINAL REPORT**

Industry Canada

Contract Number: V2210-050132/ 0011CY

*Ce rapport est disponible en français auprès
d'Industrie Canada.

October 2005

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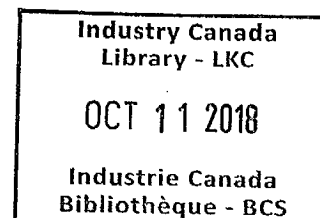
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Table of Contents

Introduction.....	1
Executive Summary.....	3
Sommaire	5
Detailed Analysis	9
Familiarity and Perceptions of the Aerospace Industry	9
The Economy, the Aerospace Industry and Perceptions of Current Government Funding	21
Opinion toward Future Government Financial Assistance to Firms in the Aerospace Industry.	29
Study Methodology	33
Appendices	
A) Questionnaire	
B) Banner Tables (under separate cover)	



Introduction

The Canadian aerospace industry is an important contributor to the Canadian economy. With over 400 firms, 80,000 employees and 22 billion dollars in revenue the industry is responsible for just over 2 percent of the country's gross domestic product. It is the only advanced technology industry that produces a trade surplus and contributes over 200 million dollars of income into the provincial economies of six provinces. In short, the industry is profitable and plays a key role in the 'value-added' high technology sector.

The Canadian aerospace industry also exists in a competitive international environment. The industry constantly faces new challenges from heavily subsidized competitors in the United States, Europe, South America, Japan and Asia in every aspect of the supply chain to every market niche. Given the contribution to the domestic economy and the intense international competition within the aerospace industry, leaders from industry, labour and academia along with the Aerospace Industries Association of Canada and Industry Canada have formed the Canadian Aerospace Partnership - a multi-sector organization that brings together private and public sector industry players – to support the creation of a National Aerospace Strategy that has three goals.

- To establish priorities and actions to enhance long-term sector competitiveness;
- To address specific sector needs to improve competitiveness; and
- To create a supportive business and public policy framework to bolster Canada's aerospace sector globally.

The purpose of this study is to provide baseline data regarding Canadians' knowledge of, and opinions about, the industry.

The study examines Canadians' familiarity with the industry; their general opinions about the industry as an innovative, high technology industry; their level of support for government funding to the industry; and the perception of the industry's importance to the national economy relative to other sectors.

This report begins with an executive summary, followed by a detailed analysis of the survey results. Provided under separate cover are a set of detailed "banner tables" that present the results for each question by key demographic and behavioural characteristics, such as age, education, gender, and income. The detailed analysis section of the report denotes these tables by question number (e.g. Q.3) for easy reference.

Executive Summary

This study examines Canadian attitudes toward the Canadian aerospace industry and the extent to which Canadians agree with government support to that industry. A number of key findings are evident from the analysis.

- **Most Canadians have a low level of familiarity with the aerospace industry.** Seventy percent of survey participants report being either 'not very' or 'not at all' familiar with the aerospace industry. Only four per cent say they are 'very familiar'. Sixty percent are unable to name a Canadian aerospace company.
- **Affinity for the aerospace industry is modest overall.** Consistent with the low level of familiarity with the sector, neutrality is the dominant impression Canadians have of this sector. Half say they have a neutral impression, while one in three have a positive impression, and less than one in ten have a negative impression. Of note, among those that have an impression, there is a 4:1 ratio of positive to negative impressions.
- **There is a clear correlation between familiarity with and affinity for the sector.** Positive impressions are more than twice as high (60% positive) among those who are very or somewhat familiar with the industry compared those who are not very or not at all familiar (25% positive). These correlations are similarly consistent among those who can name a specific Canadian aerospace company.
- **There are some widely shared positive attitudinal drivers for this sector.** Chief among these is a clear connection that Canadians make between this sector and innovation, science, and high technology. When those with positive impressions about this industry were asked about why they had a positive impression, these concepts are by far the most frequently cited. In addition, as many people make a connection between aerospace and the air transportation industry as they do with the space travel industry.
- **Canadians do not make a connection to some of the sector's other key attributes.** Most tend to underestimate the aerospace industry's size and importance to the economy today, and many tend to believe that it is "more foreign than Canadian", a belief that generally yields more muted, or neutral, sentiments toward firms in any sector.

- **This sector tends not to be viewed as being central to the future of Canada's economy.** Fewer than one in five participants characterized the sector as "vital" to the Canadian economy, far lower than sectors such as agriculture, automobiles, biotechnology and information technology. Moreover, only one in three indicate that they believe the aerospace industry contributes to their local economy, again underscoring a general sense of distance between this sector and average Canadians.
- **When presented with favourable arguments, a majority of Canadians express agreement with the idea of government support for Canadian aerospace companies.** These arguments, which revolve around the idea of supporting companies with innovative ideas and a lack of access to venture capital, motivated six out of ten participants to agree that government should provide financial support to this sector. Worth noting is that agreement does not vary depending on whether the funding is repayable or not.
- **Most Canadians tend not to believe this sector warrants a high level of priority from government, relative to other sectors of the economy.** When asked whether this sector should receive more, less, or the same level of support than other sectors, half say it should receive less support than others, whereas one in five indicate that it should receive more. Of note, those in Quebec are more likely than average to suggest that it should receive more support than other sectors, but in that province there are still twice as many who believe that the sector should get less support than others. These results are notable in that they are found in spite of a widespread belief that the Canadian industry receives less funding compared to the aerospace sectors in other countries.

Overall, the findings suggest that Canadians express some willingness to have government provide support to Canada's aerospace sector. However, the data indicate that they stop short of suggesting government give it pride of place in Canada's industrial policy, as they do not see it as being as important as some other sectors to the future of Canada's economy. This point of view may owe in significant part to a lack of familiarity about the sector, including Canada's level of capacity in this sector, its potential contribution to the economy, and its Canadian character.

Given the high level of support among those familiar with the sector, there appears to be an opportunity to build a stronger public support base for Canada's aerospace sector. A communications strategy focused on creatively highlighting the sector's key attributes may assist in developing a greater appreciation of the sector among a much broader segment of Canadians.

Sommaire

La présente étude porte sur l'attitude des Canadiens à l'égard de l'industrie aérospatiale canadienne et sur la mesure dans laquelle les Canadiens sont d'accord pour que le gouvernement appuie cette dernière. L'analyse permet de dégager un certain nombre de conclusions cruciales.

- **La plupart des Canadiens connaissent peu l'industrie aérospatiale.** Soixante-dix pour cent des participants au sondage ont répondu que l'industrie aérospatiale leur était peu ou pas familière. Un faible quatre pour cent ont indiqué très bien la connaître. Soixante pour cent sont incapables de nommer une entreprise aérospatiale canadienne.
- **Dans l'ensemble, on remarque une affinité modérée avec l'industrie aérospatiale.** Suite logique du faible degré de connaissance à l'égard du secteur, les Canadiens ont une impression principalement neutre de l'industrie. La moitié indiquent en avoir une impression neutre, alors qu'un répondant sur trois en a une impression favorable et que moins d'un sur dix en a une impression défavorable. On note que chez ceux qui ont une impression, le rapport entre les impressions favorables et défavorables est de 4:1.
- **Il existe une corrélation claire entre la bonne connaissance du secteur et l'affinité avec ce dernier.** Les impressions favorables sont plus de deux fois plus élevées (soixante pour cent) parmi ceux qui connaissent bien ou très bien l'industrie que parmi ceux qui la connaissent peu ou pas du tout (vingt-cinq pour cent). On dégage des corrélations semblables parmi les répondants pouvant nommer une entreprise aérospatiale canadienne.
- **On remarque chez de nombreux participants certains concepts favorables à l'adoption d'une bonne attitude à l'égard du secteur.** On remarque principalement le lien clair que font les Canadiens entre ce secteur et l'innovation, les sciences et la haute technologie. Ce sont de loin les concepts qui sont revenus le plus souvent lorsqu'on a demandé à ceux qui ont une impression favorable de l'industrie la raison de cette attitude. En outre, il y a autant de gens qui font un lien entre l'industrie aérospatiale et l'industrie du transport aérien que de gens qui associent l'industrie aérospatiale et l'industrie du voyage dans l'espace.
- **Les Canadiens n'établissent pas de lien avec certains autres attributs essentiels du secteur.** La plupart tendent à sous-estimer la taille de l'industrie aérospatiale et l'importance qu'elle revêt

aujourd'hui pour l'économie, et nombreux sont ceux qui croient qu'il s'agit d'une industrie « plus étrangère que canadienne », croyance généralement à l'origine d'une attitude plus mitigée, ou neutre, à l'égard des entreprises, peu importe le secteur.

- **Les Canadiens tendent à ne pas considérer que ce secteur est essentiel à l'avenir de l'économie canadienne.** Moins d'un répondant sur cinq a indiqué qu'il considérait que le secteur est essentiel à l'économie canadienne, résultat de loin inférieur à celui obtenu pour des secteurs comme l'agriculture, l'automobile, la biotechnologie et la technologie de l'information. De plus, seulement un participant sur trois a répondu qu'il croyait que l'industrie aérospatiale contribuait à l'économie locale, ce qui dénote à nouveau une impression générale de distance entre ce secteur et le Canadien moyen.
- **Lorsqu'on leur présente des arguments favorables, une majorité de Canadiens se disent d'accord avec l'idée d'un soutien gouvernemental aux entreprises aérospatiales.** Ces arguments, selon lesquels on appuierait les entreprises proposant des idées novatrices et ayant peu accès au capital de risque, ont incité six participants sur dix à approuver l'idée d'un soutien gouvernemental à l'industrie aérospatiale. Fait notable, cette attitude favorable ne varie pas selon que le financement soit remboursable ou non.
- **La plupart des Canadiens ont tendance à ne pas croire que le gouvernement devrait accorder une priorité élevée à ce secteur par rapport aux autres secteurs de l'économie.** Lorsqu'on leur demande si ce secteur devrait recevoir un soutien supérieur, inférieur ou égal à celui que reçoivent les autres secteurs, la moitié des participants répondent qu'il devrait obtenir un soutien inférieur à celui des autres secteurs, alors qu'un répondant sur cinq indique qu'il devrait en obtenir davantage. On remarque que les participants du Québec tendent plus que la moyenne à répondre que le secteur devrait bénéficier d'un soutien supérieur à celui des autres secteurs; toutefois, dans cette province, il y a toujours deux fois plus de répondants qui indiquent que le secteur devrait recevoir moins d'appui que les autres. Ces résultats sont remarquables en ceci qu'ils ne cadrent pas avec la croyance répandue voulant que l'industrie canadienne soit moins financée que le sont les industries aérospatiales dans d'autres pays.

Dans l'ensemble, les conclusions donnent à penser que les Canadiens sont, dans une certaine mesure, disposés à ce que le gouvernement appuie l'industrie aérospatiale canadienne. On constate toutefois qu'ils ne vont pas

jusqu'à proposer que le gouvernement accorde au secteur la place d'honneur dans sa politique industrielle, étant donné qu'ils ne le considèrent pas comme étant aussi important que d'autres secteurs pour l'avenir de l'économie canadienne. Il se peut que ce point de vue découle en bonne partie du manque de connaissances au sujet du secteur, notamment en ce qui concerne le niveau de capacité du Canada dans ce secteur, sa contribution potentielle à l'économie et son caractère canadien.

Compte tenu du niveau élevé de soutien observé parmi les participants familiers avec le secteur, il semble qu'il soit possible de gagner un appui plus solide au sein du public à l'égard de l'industrie aérospatiale canadienne. Une stratégie de communication visant à mettre en lumière les attributs clés du secteur de manière créative pourrait permettre de mieux faire apprécier le secteur par un segment de Canadiens bien plus large.

Detailed Analysis

Familiarity and Perceptions of the Aerospace Industry

This section examines Canadian familiarity and general attitudes toward the aerospace industry in Canada. A few key findings are evident.

Canadians are unfamiliar with the Canadian aerospace industry

Seventy percent of Canadians state that they are unfamiliar with the industry, 62 percent cannot name a Canadian aerospace company and 52 percent have a neutral assessment of the industry. When asked why they have a neutral assessment, 84 percent either 'don't know', are 'not interested', or claim not to 'know much about it'.

Increased familiarity means increased positive assessments

Sixty percent of Canadians familiar with the aerospace industry have a positive assessment while 59 percent of Canadians unfamiliar with the industry have a neutral assessment. Negative assessments are rare.

Higher educated, higher income Canadians are the most familiar and the most positive

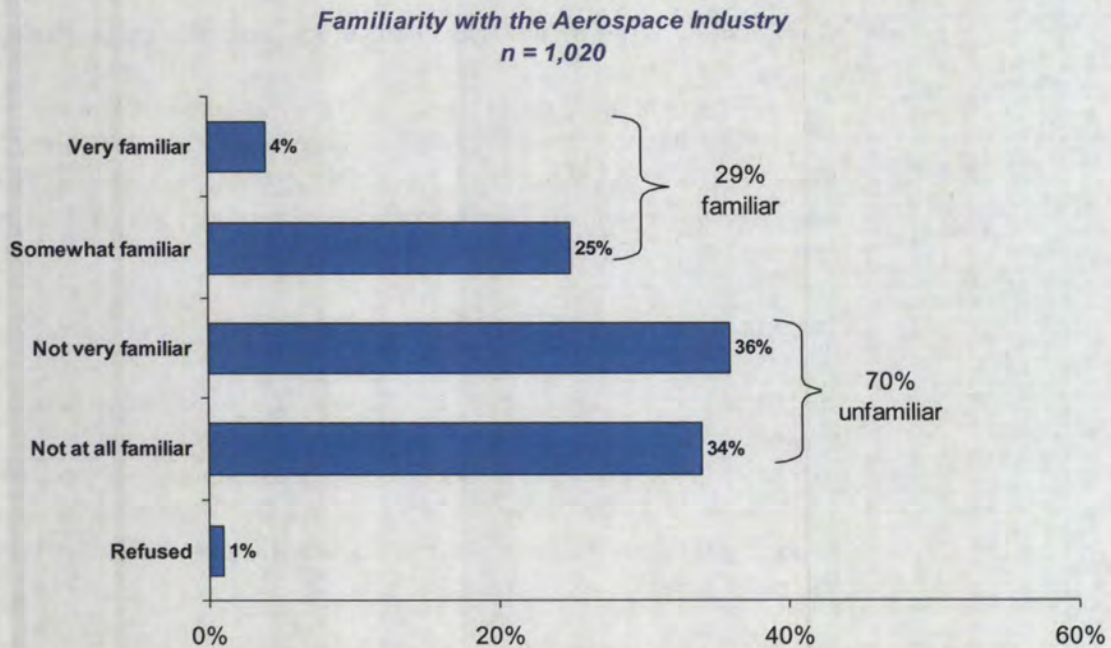
As income and education rise, so does the familiarity and positive assessment of the aerospace industry. The rise with income and education, while evident, is not enough to bring more educated and higher income Canadians into a position where they are 'more familiar than not' with the industry however.

There is an aerospace gender gap

Men are more familiar and more positive about the aerospace industry than women, who tend to be more neutral.

Seven out of ten Canadians are unfamiliar with the aerospace industry

Seventy percent are unfamiliar with the aerospace industry (36% not very familiar and 34% not at all familiar). Only four percent of Canadians report being very familiar with the industry. **(Q1)**

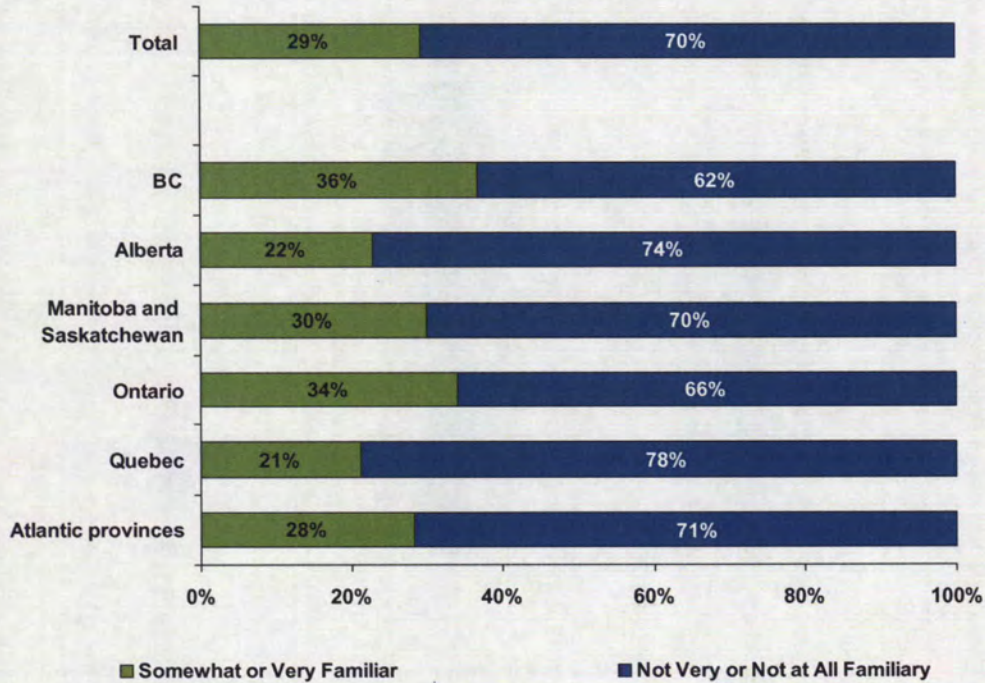


Familiarity with the industry increases with income and education. Men, English Canadians and, Ontario and BC residents are also more apt to be familiar with the industry.

- **Income** – only 19 percent of Canadians with household incomes under \$40,000 are 'very' or 'somewhat' familiar with the industry whereas 35 percent of Canadians with incomes over \$40,000 are familiar.
- **Education** – 78 percent of Canadians with a high school diploma or less are unfamiliar with the industry compared to 63 percent for university graduates and 56 percent of post-graduates.
- **Gender** – 14 percent of women are familiar with the industry; 44 percent of men are familiar.

- **Region** – One-third of Ontario residents (34%) and BC residents (36%) are familiar with the industry versus only one-fifth of Quebec residents (21%) and Albertans (22%).
- **Age** – 79 percent of Canadians 18 to 24 are unfamiliar with the industry as are 76 percent of students.

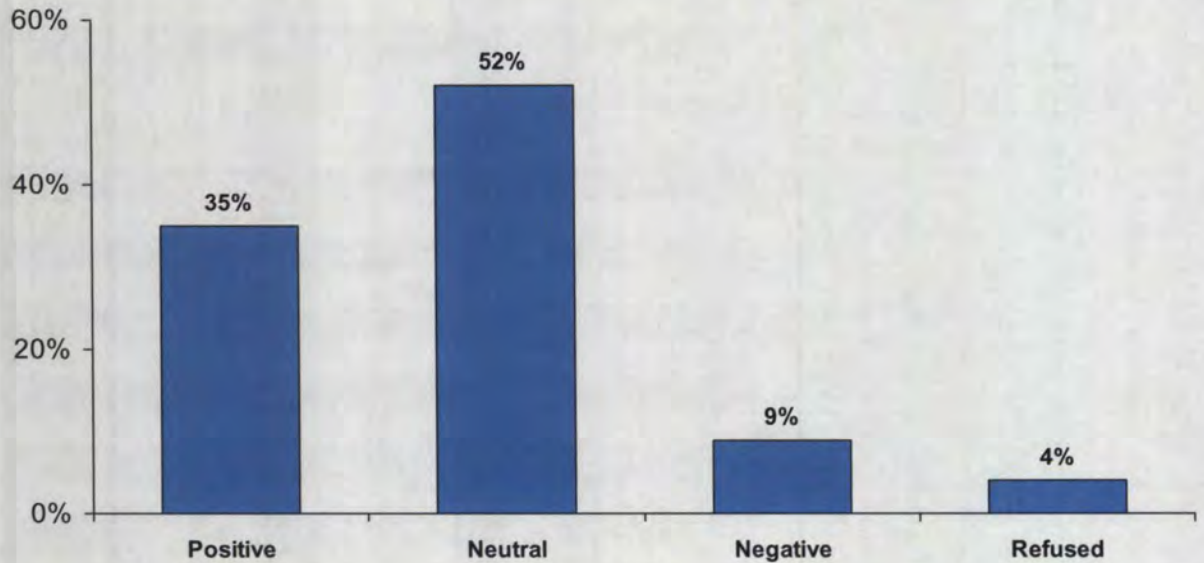
Familiarity with the Aerospace Industry by Region
n = 1,020



One-half of Canadians are 'neutral' about the aerospace industry

One-third (35%) of Canadians are positive about the aerospace industry and one-half (52%) are neutral. Few Canadians (9%) have negative feelings about the industry. (Q2)

Attitude towards the Aerospace Industry
n = 1,020



Positive sentiment for the aerospace industry is greater among higher income and higher education populations. Men, Quebec and Ontario residents are also more likely to have a positive reaction to the industry.

The Effect of Income and Education on Positive Sentiment

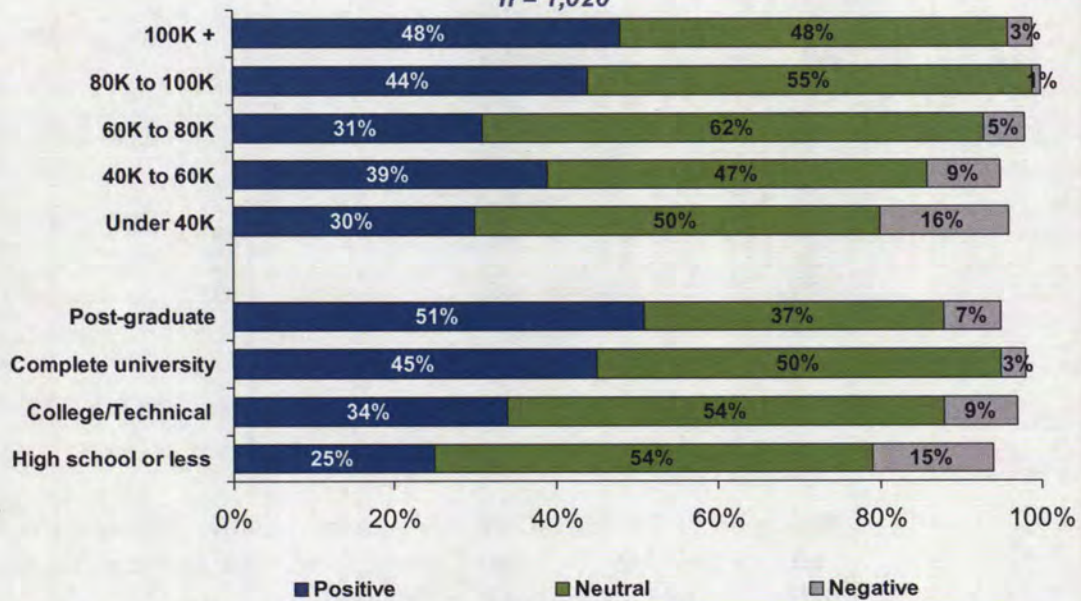
There is a step-wise pattern with regard to income and education. This means that as one moves from lower to higher levels of income and education there is a corresponding increase in positive sentiment towards the industry.

The first 'step' is Canadians with household incomes under \$60,0000 a year and a college education or less. These two groups differentiate themselves from others by their higher negative sentiment toward the industry. Fifteen percent of Canadians with a high school diploma or less have a negative sentiment toward the industry as do 16 percent of those with household incomes below \$40,000 and nine percent with incomes between \$40,000 and \$60,000.

The next 'step' is neutrality. Six out of ten (62%) of Canadians with household incomes between \$60,000 and \$80,000 have a neutral reaction to the aerospace industry.

The third 'step' is a positive sentiment. One-half (51%) of Canadians with a post-graduate degree and 45 percent of Canadians with a university degree are positive about the industry. Over forty percent of Canadians with household incomes between \$80,000 and \$100,000 (44%) and with incomes above \$100,000 (48%) are positive about the industry.

Sentiment toward the Aerospace Industry by Household Income and Education
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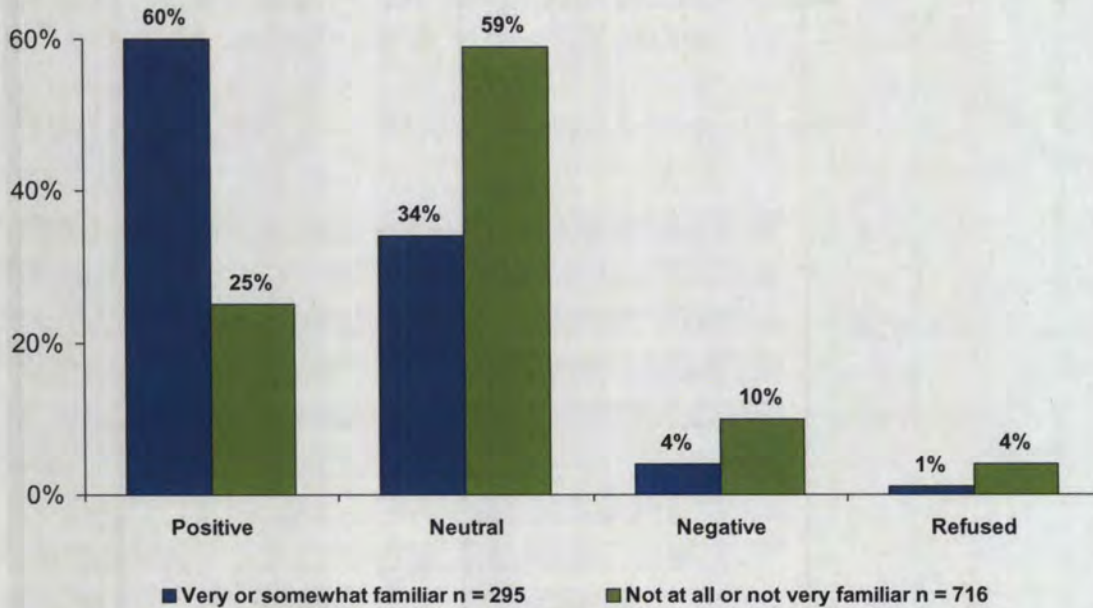
A gender gap exists with regard to positive sentiment toward the industry with 45 percent of men being positive compared to 26 percent of women, who are more apt to be neutral (59% of women are neutral).

Quebec (43% positive) and Ontario residents (35%) are more likely to have positive sentiments toward the industry compared to Albertans (29% positive) and residents of Manitoba or Saskatchewan (25% positive).

Canadians familiar with the aerospace industry are more likely to have a positive assessment

Six out of ten Canadians familiar with the industry are positive; six out of ten Canadians unfamiliar with the industry are neutral.

Attitude towards the Aerospace Industry by Familiarity with Industry



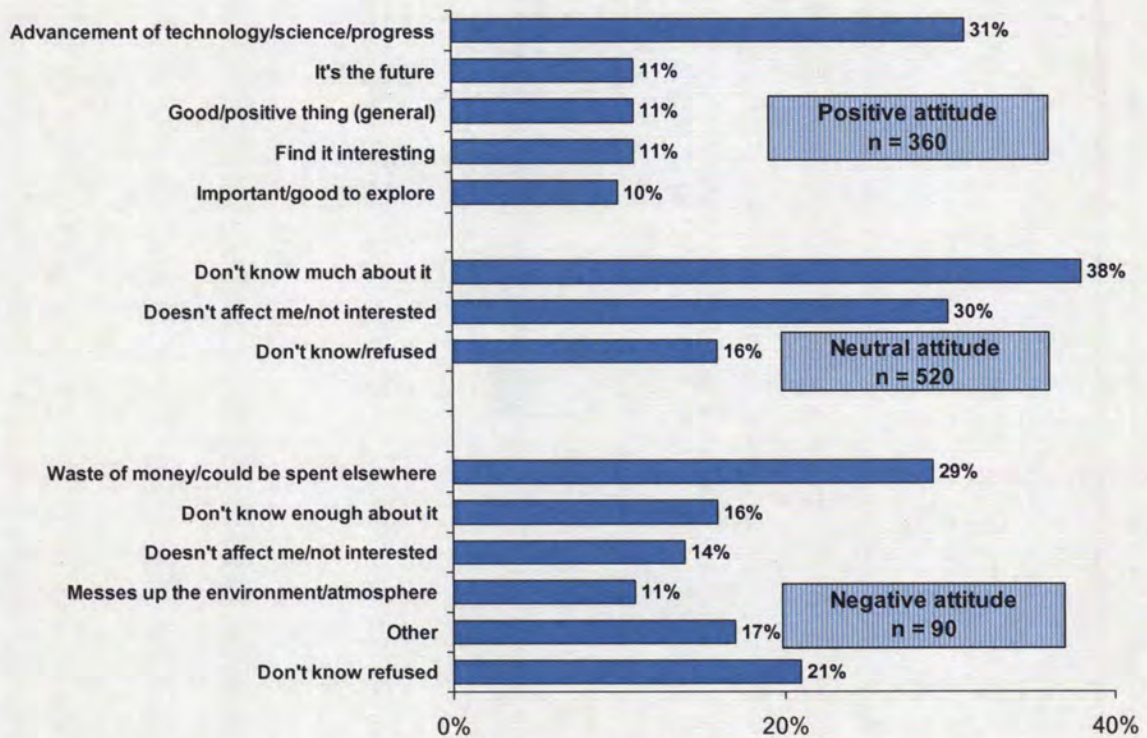
Almost one-third of Canadians with positive assessments of the industry point to the advancement of science and technology as their reason for being favourable to the industry

Canadians who are positive about the aerospace industry say their assessment is due to the image of the industry as advancing science and technology (31% of people positive about the industry cite this reason). (Q3)

Canadians with a neutral assessment of the industry report 'not knowing enough' about the industry (38% of people who are neutral mention this reason).

Three out of ten (29%) Canadians with a negative assessment of the industry say that it is a 'waste of money' while another one-fifth (21%) do not know why they have a negative assessment of the industry.

Reasons for Attitude toward Aerospace Industry
n = 980



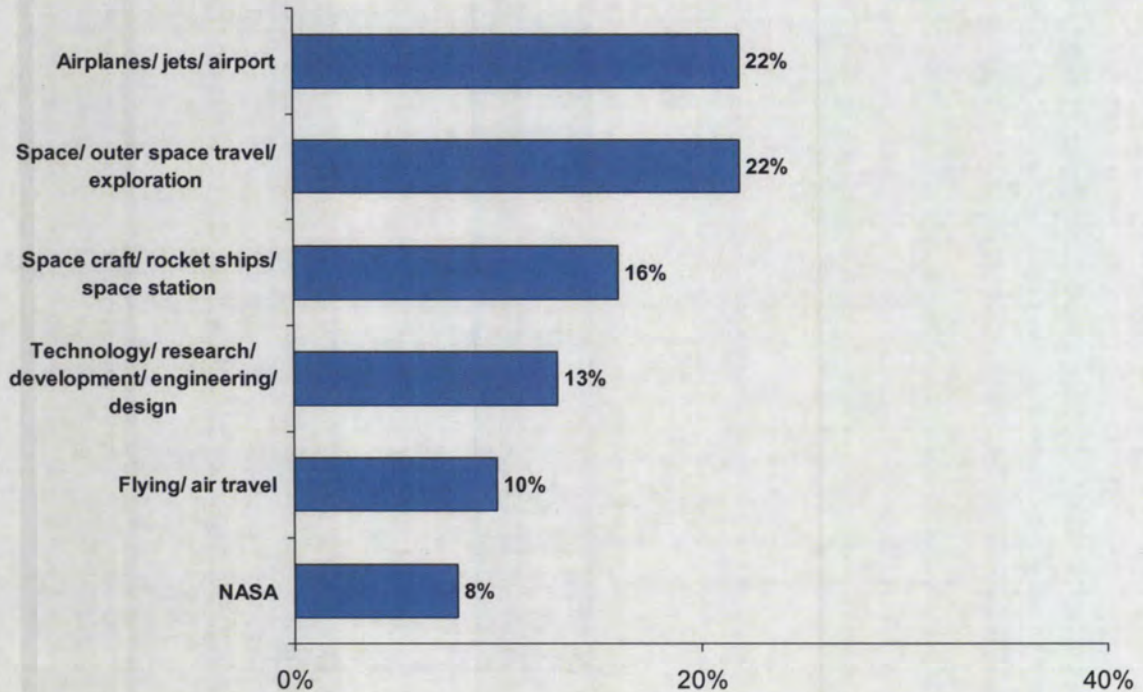
The two dominant themes in Canadians' reaction to the aerospace industry are air travel and space related; a smaller group think of technology/R&D

One-fifth (22%) of Canadians think of outer space when they hear the words 'aerospace industry' and another one-fifth (16%) think of space-craft and space stations. Eight percent mentioned NASA. (Q4)

Another 22 percent of Canadians associate the aerospace industry with airplanes, jets and airports, while ten percent think of air travel.

Thirteen percent think of technology, engineering and/or design.

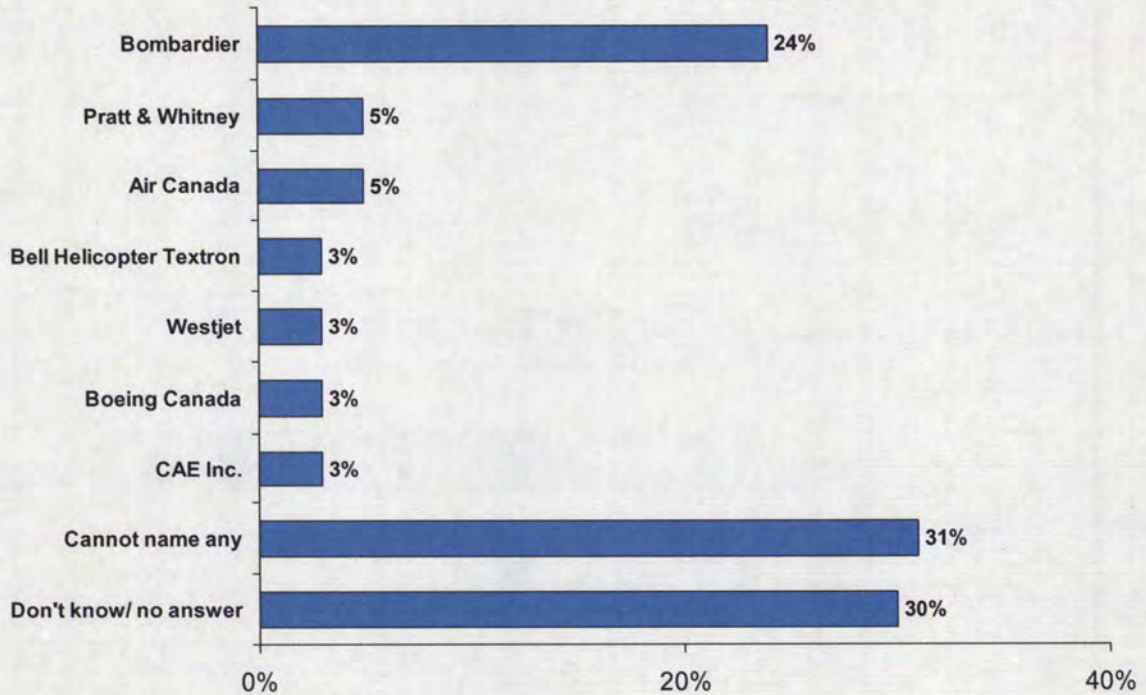
First Thought when 'Aerospace Industry' is Mentioned
n = 1,020



Six out of ten Canadians cannot name a Canadian aerospace company

Six out of ten (61%) of Canadians either cannot name a Canadian aerospace company (31%) or do not know (30%) a company in the industry. Among companies named by Canadians, Bombardier (24%) is named five times more frequently than any other company. **(Q21)**

Knowledge of Canadian Aerospace Companies: Unprompted
n = 1,020



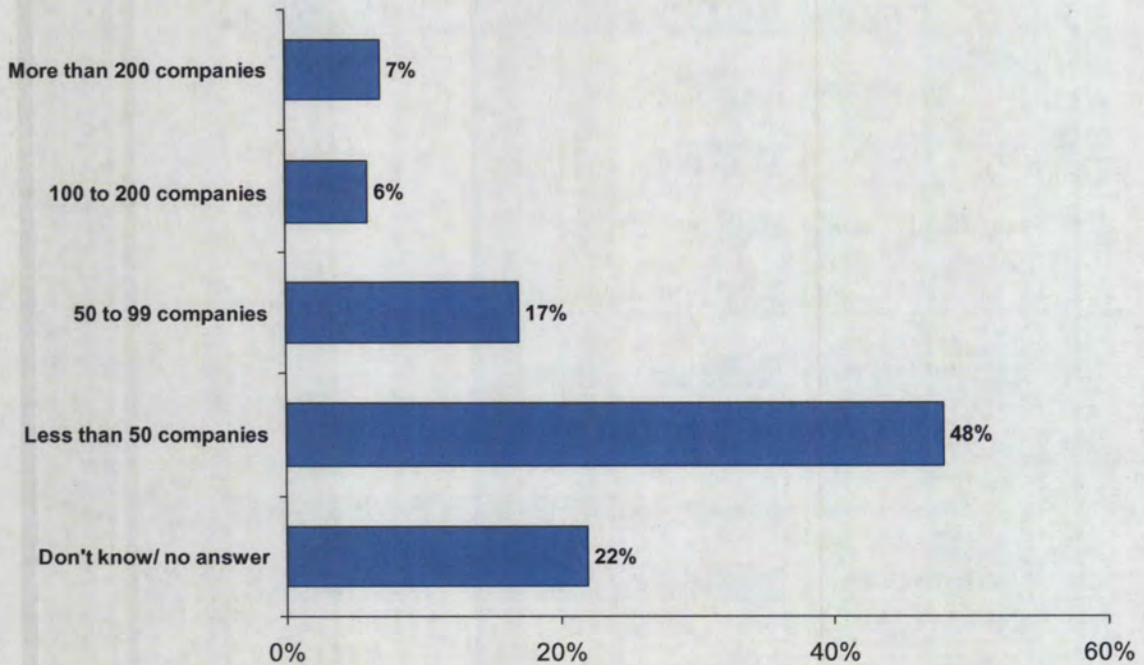
Canadians able to name a firm are also more familiar and positive toward the aerospace industry.

Only seven percent of Canadians feel the Canadian aerospace industry consists of more than 200 companies

The Canadian aerospace industry consists of over 400 companies. One-half of Canadians (48%) believe the industry consists of fewer than 50 companies. Only seven percent of Canadians think the industry is larger than 200 companies. **(Q22)**

The demographic group with the greatest sense of the actual size of the Canadian aerospace industry is men (11% think the industry is greater than 200 companies). Even Canadians who say they are familiar with the industry are not aware of its size. Thirteen percent of Canadians familiar with the aerospace industry think the industry consists of more than 200 companies.

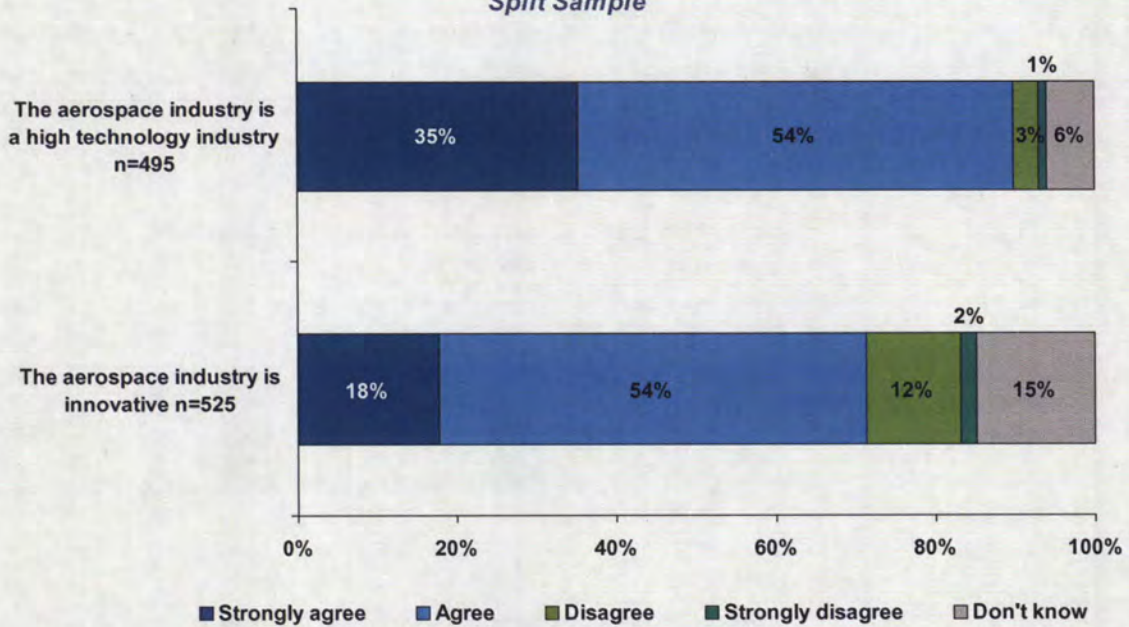
Perception of the Number of Companies in Canadian Aerospace Industry
n = 1,020



Seven out of ten Canadians feel the aerospace industry is innovative; nine out of ten believe the industry is a high tech industry

Eighty-nine percent of Canadians believe the aerospace industry is a high technology industry (35% strongly agree and 54% somewhat agree). Canadians also think the industry is innovative (18% strongly agree that the industry is innovative and 54% somewhat agree). **(Q15 and 15A)**

**Perception of the Aerospace Industry as an Innovative, High Technology Industry
Split Sample**



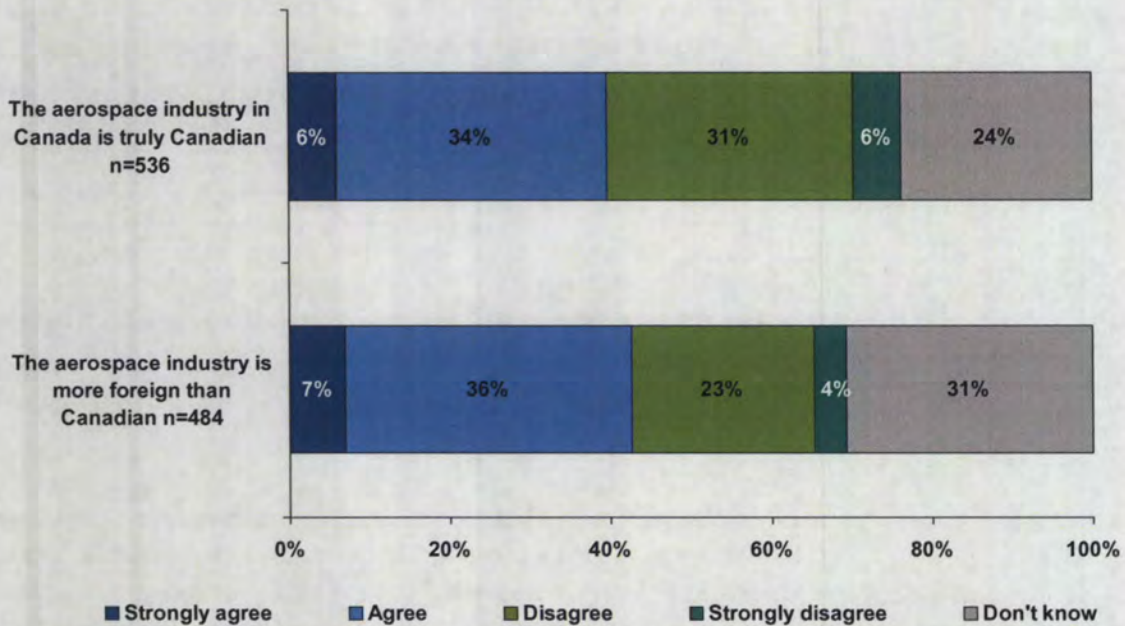
BC residents are the most likely to perceive the aerospace industry as an innovative industry (75% agree, only 5% disagree).

Any other differences between demographic groups can be explained by the fact that some groups are more apt to be neutral than positive. For example, the statistical difference between women and men on their assessment of whether the industry is innovative or not is explained by the fact that women are more apt to say they 'don't know' and men are more likely to agree with the statement. There is no statistical difference in the percentage that reply negatively.

Four out of ten Canadians believe the Canadian aerospace industry is truly Canadian; another quarter 'don't know'

Forty percent of Canadians (6% strongly and 34% somewhat) agree with the statement 'The aerospace industry in Canada is truly Canadian'. Forty-three percent of Canadians believe the industry is more foreign than Canadian. (Q17 and 17A)

*Perception that the Aerospace Industry is Canadian
Split Sample*



Albertans (58% disagree that the industry is truly Canadian) are the least likely to believe that the aerospace industry is truly Canadian. When Canadians are asked if the industry is more foreign than Canadian, the region differences disappear meaning each regional response does not vary greatly from the overall results.

One-quarter (24%) of Canadians are likely to have no opinion as to whether the industry is truly Canadian or not. Almost one-third (31%) have no opinion as to whether the industry is more foreign than Canadian.

The Economy, the Aerospace Industry and Perceptions of Current Government Funding

This section of the analysis examines the importance of the aerospace industry and the degree of government financial support that exists presently for the industry. The statistics yield three findings.

The aerospace industry is not viewed as being as important to the future health of Canada's economy as several other industry sectors

Sixteen percent of Canadians think the aerospace industry is 'vital' to ensuring Canada's economic health in the future. This percentage is not as high as the comparable figures for the agriculture, natural resources, IT, biotechnology or automotive sectors.

Canadians do not believe the aerospace sector should receive special consideration from the federal government

Although Canadians believe that the aerospace industry receives less support from its government than other countries give to their aerospace industries, one-half believe that the industry should get less support than other sectors of the economy.

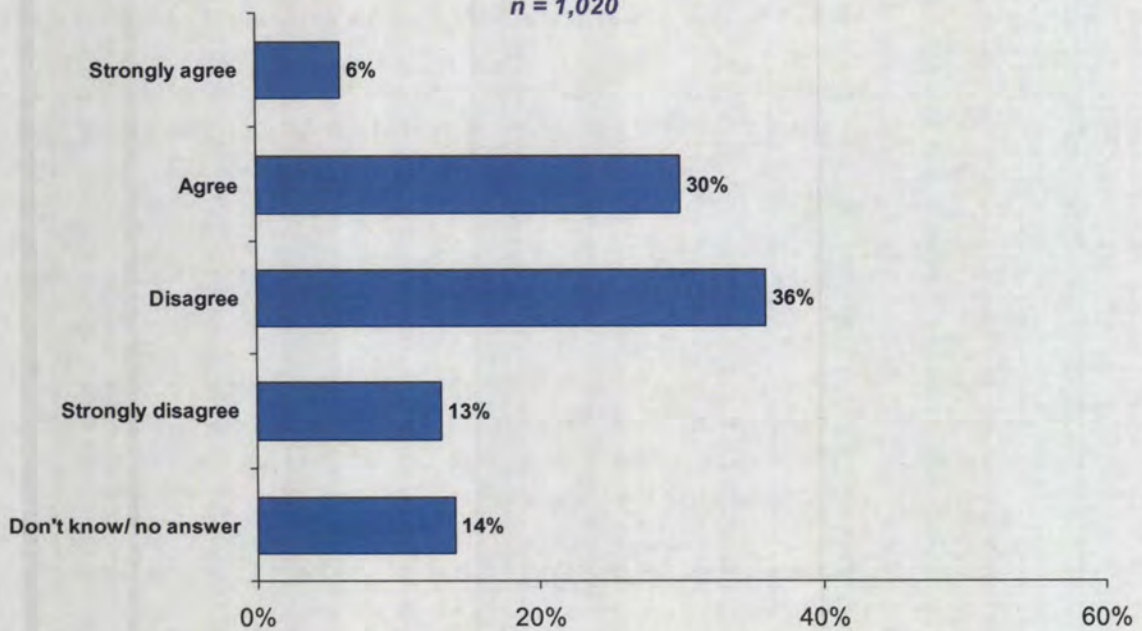
Quebec residents have different industry perceptions than other Canadians

Seven out of ten Quebec residents believe that the aerospace industry is 'vital' or 'important' to ensuring Canada's economic future. They are more likely to believe that the industry receives more financial assistance from the federal government than other sectors and are more likely to think that the industry should get more financial support.

One-third of Canadians believe the aerospace industry contributes to the local economy

Thirty-six percent of Canadians agree (6% strongly agree, 30% somewhat agree) that the aerospace industry contributes to their local economy. **(Q16)**

Perception that the Aerospace Industry Contributes to the Local Economy
n = 1,020



More educated Canadians are the most likely to agree (63% post-graduates and 40% university graduates) that the industry contributes to their local economy. One-half (51%) of Canadians with household incomes over \$100,000 agree that there is a local economic contribution made by the industry, differentiating this group from lower income categories.

Albertans (25%) are the least likely to believe the aerospace industry contributes to their local economy while Ontarians (38%) and BC residents (38%) are the most likely to notice the economic impact.

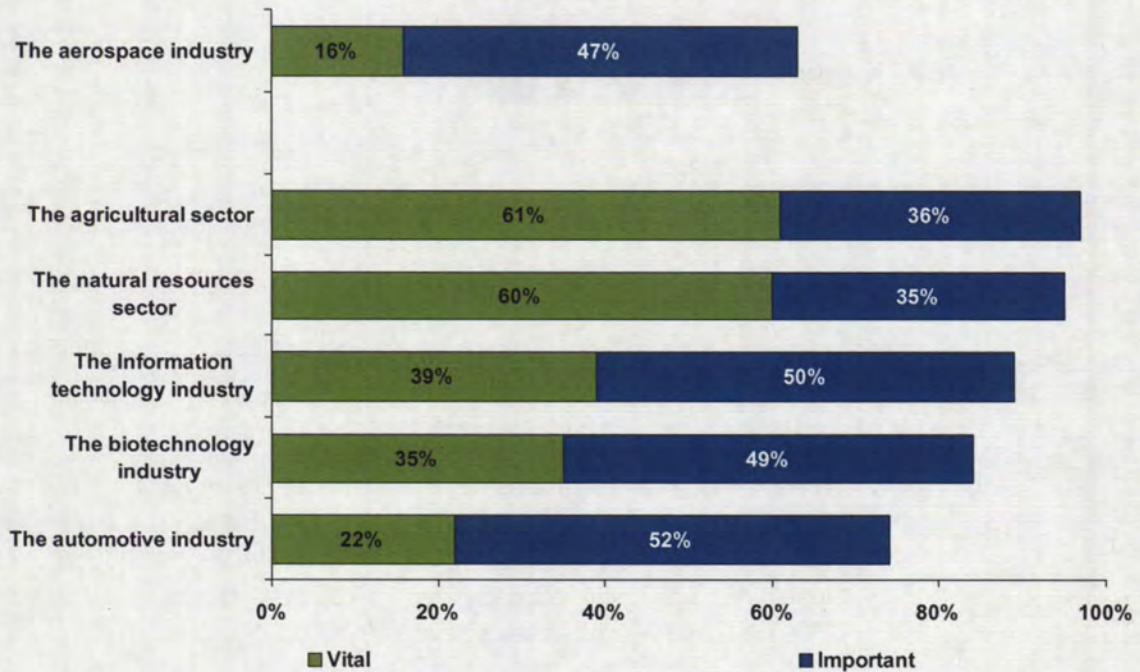
Quebec residents are more likely than Albertans to realize the economic impacts of the aerospace industry (39%), although 53 percent do not think there is a positive local economic impact.

The Canadian aerospace industry is not seen to be vital to the future of the Canadian economy when compared to other sectors

Several other sectors are considered more vital to ensuring Canada's economic future than the aerospace industry. (Q5 to 10)

The agricultural sector (61% vital), the natural resources sector (60% vital), the information technology sector (39% vital), the biotechnology sector (35% vital) and the automotive industry (22% vital) all fare more prominently in Canadians' minds as industries and sectors that will be important to ensuring Canada's future.

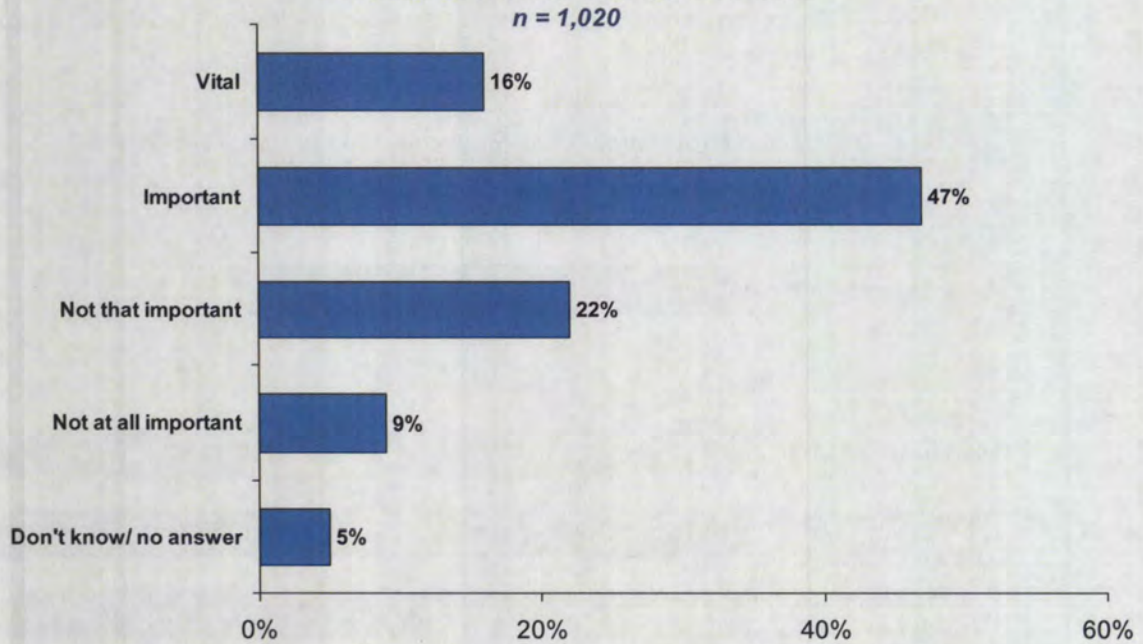
Perceived Importance of Various Industries in Ensuring Canada's Economic Health in the Future
n = 1,020



Only sixteen percent of Canadians feel the aerospace industry is vital to ensuring the health of Canada's economy in the future

Sixty-three percent of Canadians feel the Canadian aerospace industry is either 'important' (47%) or 'vital' (16%) to ensuring Canada's economic health in the future. (Q6)

Perceived Importance of the Canadian Aerospace Industry in Ensuring Canada's Economic Health in the Future

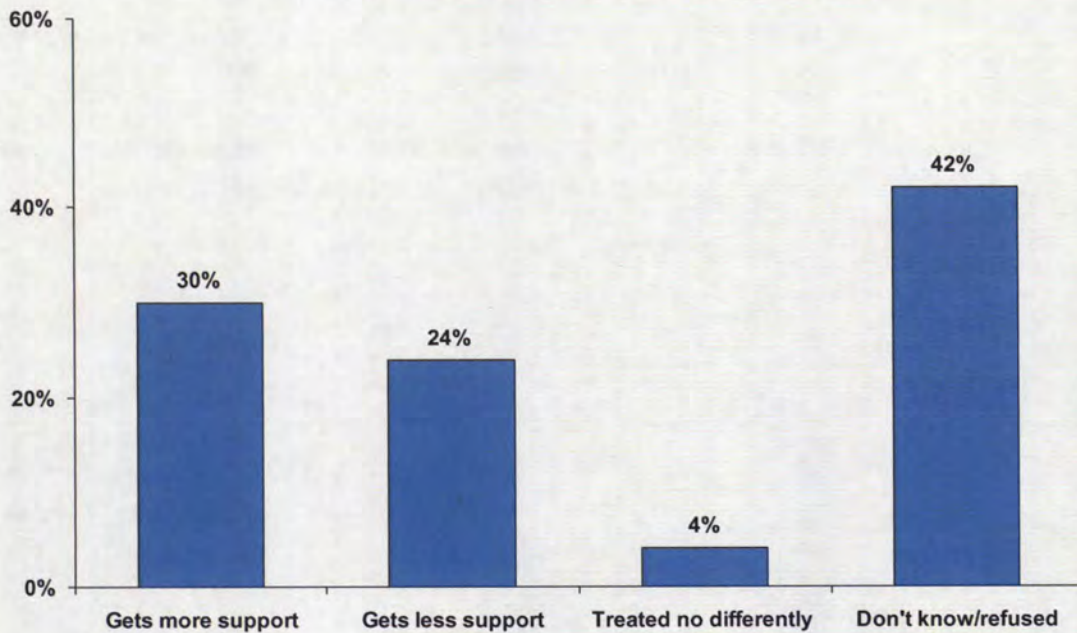


Three demographic groups are more likely to state that the aerospace industry is vital to ensuring Canada's economic future as compared to others: men (19% think the industry is vital); those with higher education (22% for those with university education or more); and those with higher incomes (23% for those with incomes above \$80,000).

Three out of ten Canadians believe the federal government gives more financial support to the aerospace industry than other sectors

Thirty percent of Canadians believe the federal government provides more financial support to the aerospace industry than other sectors of the economy. This perception rises to 40 percent for Canadians who are more familiar with the industry. (Q11)

Perception of Federal Government Financial Support to Aerospace Industry versus Other Sectors of the Economy



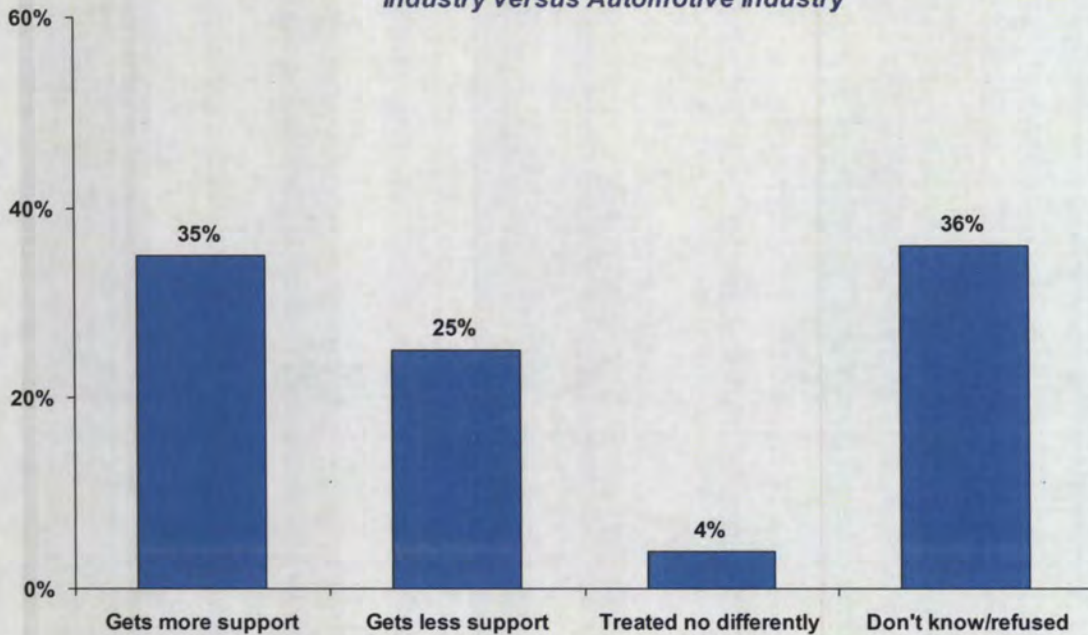
Quebec residents (39%) are more likely than Canadians in other regions to believe that the aerospace industry gets more financial support from the federal government. In other regions, Canadians are more apt to say that they 'don't know' if the aerospace industry gets preferential treatment (range of 44% to 51%).

One-third of Canadians believe the aerospace industry gets more financial support from the federal government than the automotive industry

Thirty-five percent of Canadians believe the aerospace industry gets more financial support from the federal government than the automotive industry. Once again, Canadians more familiar with the aerospace industry (42%) are more likely to believe the aerospace industry gets favourable treatment versus automotive industries. (Q12)

A large percentage of Canadians are unsure (36%), and this proportion is higher among those unfamiliar with the industry (41%).

Perception of Federal Government Financial Support to Aerospace Industry versus Automotive Industry

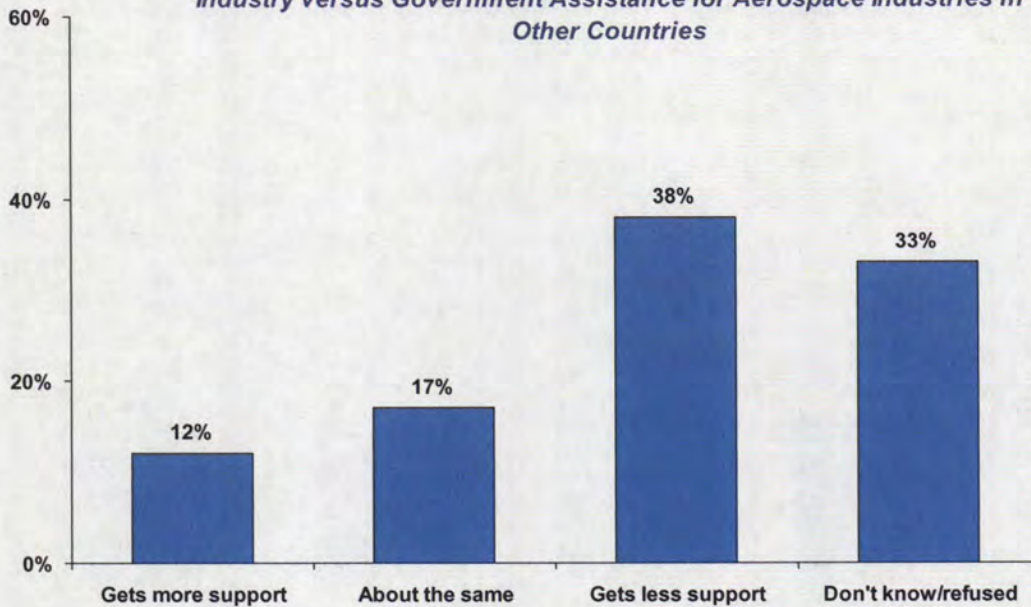


Quebec residents (46%) and Atlantic Canadians (39%) are more likely to believe that the aerospace industry gets more financial assistance from the federal government than the automotive industry – particularly when compared to BC residents (25%) who are more likely to be unsure (51%).

Four in ten Canadians believe the Canadian aerospace industry receives less government assistance than aerospace industries in other countries

Four in ten (38%) Canadians believe the aerospace industry is less well funded by government than aerospace industries in other countries. One in ten Canadians believes the federal government provides more funding. One-third of Canadians 'don't know'. (Q14)

Perception of Federal Government Financial Support to Aerospace Industry versus Government Assistance for Aerospace Industries in Other Countries



These perceptions are similar for those familiar and those unfamiliar with the Canadian aerospace industry.

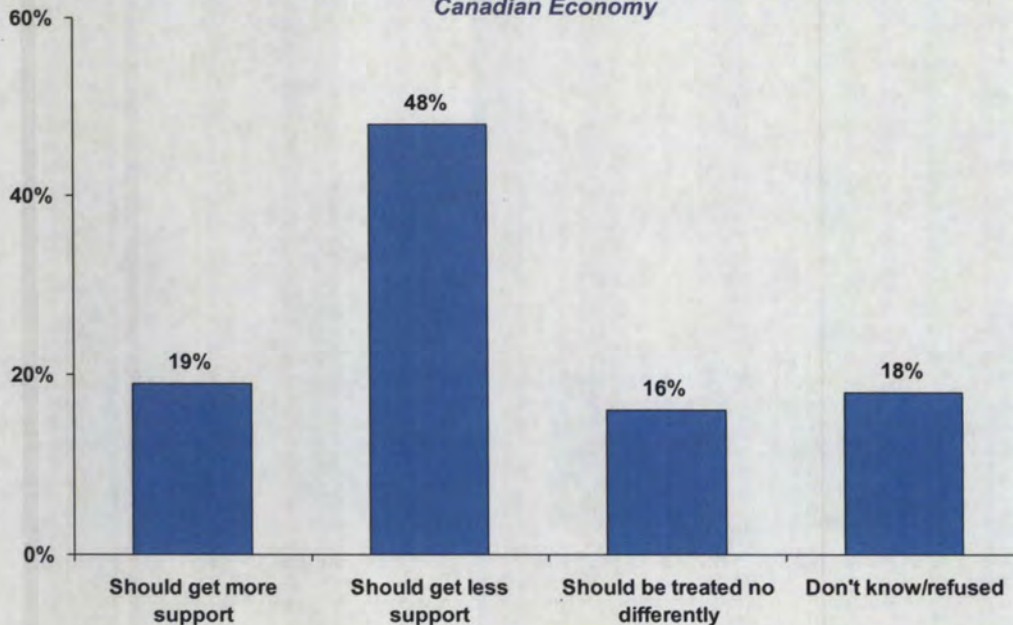
Quebec residents (44%) are more likely to believe the federal government provides less funding to the aerospace industry than governments in other countries give theirs – particularly when compared with Manitoba and Saskatchewan residents (32%) and BC residents (33%).

Higher income Canadians (52% with household incomes above \$80,000) feel the Canadian aerospace industry receives less government assistance than comparable industries in other countries.

One-half of Canadians feel the aerospace industry should get less support than other sectors

One-half (48%) of Canadians believe the industry should receive less financial support from the federal government than other sectors; one in five (19%) feels the aerospace industry should get more financial support. There is no difference between those who are familiar with the industry and those who are not. (Q13)

Perception of whether the Canadian Aerospace Industry should receive more Financial Support from the Federal Government versus Other Sectors in Canadian Economy



Quebec residents (23%) are more apt to believe that the federal government should give more support to the aerospace industry than other sectors – particularly when compared to Alberta (14%) and BC (14%) residents.

Opinion toward Future Government Financial Assistance to Firms in the Aerospace Industry

This section examines support for government funding of aerospace companies in the future. Two findings are evident.

Canadians support government funding of aerospace companies

Seven out of ten Canadians support government funding of aerospace companies with new ideas and a proven track record of success. Six out of ten support government funding when an aerospace company has new ideas and cannot otherwise access capital. Only two in ten Canadians believes that government funding of aerospace companies is wrong.

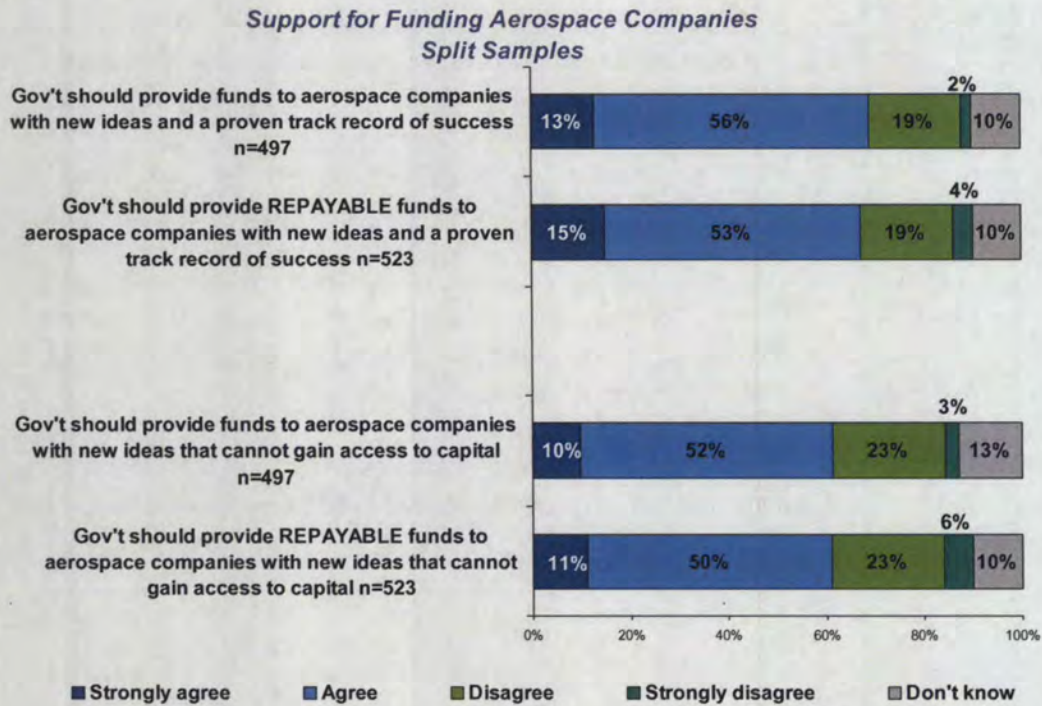
Whether funding is repayable or not has no effect on support for government funding for aerospace companies

The survey asked a series of questions with a split sample methodology. One-half of the sample was asked if they support government funding given a situation; the other half were asked the same question with the contingency that the funding was repayable.

In each case, support for government funding of aerospace companies is the same regardless of whether the funding is repayable or not.

Seven out of ten Canadians believe the government should fund aerospace companies with new ideas and a proven track record of success, and six in ten support government funding for aerospace companies that have new ideas but cannot otherwise access capital

Seven out of ten Canadians agree (13% strongly agree, 56% somewhat agree) that the government should provide funding to aerospace companies with new ideas and a proven track record of success. Whether the funding is repayable, or not, does not have an effect on the degree of support for increased funding. **(Q18)**

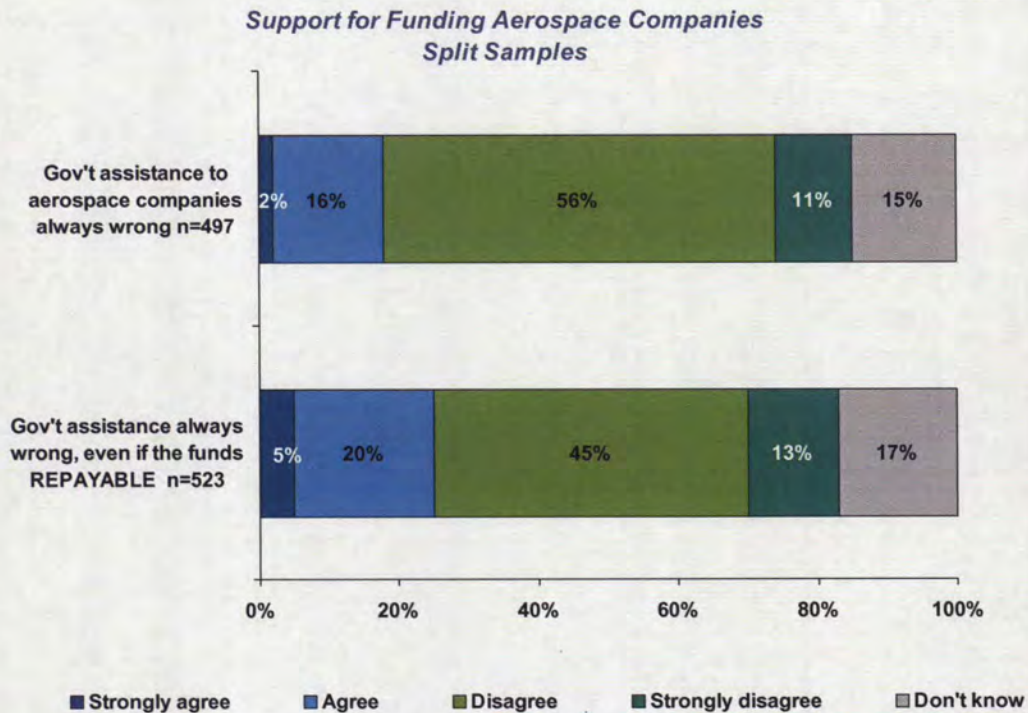


Support for funding aerospace companies with new ideas but who cannot otherwise gain access to capital is also high. Six out of ten Canadians support (10% strongly, 52% somewhat) funding in this situation. Whether the funding is repayable or not has no effect on support. **(Q19 and 19A)**

Men are more supportive than women of funding for aerospace companies, as are residents of Quebec, compared to those living in other provinces.

Only one in five Canadians believe it is wrong to fund Canadian aerospace companies

Opposition to government funding of the Canadian aerospace industry is low. Two-thirds of Canadians support funding aerospace industries and whether or not the funding is repayable has little effect on the level of support. (Q20 and 20A)



Quebec residents (29%) are most likely to agree that government funding of aerospace companies is wrong when compared with other regions.

Canadians with a high school education or less (27%) are also more likely to feel government funding of aerospace companies is wrong compared to other education groups. Three-quarters of Canadians with more than a high school education (73% college, 76% university and 87% post-graduate) do not consider government assistance to aerospace companies to be wrong.

Study Methodology

Questionnaire Design

The questions analyzed in this study were prepared by Industry Canada with input from senior Decima Research staff. Translation into French was undertaken by Decima's in-house professional translator.

Sample Design

The sample for this study was designed to complete interviews with a representative sample of 1,000 Canadian adults (18 years and older). The sample was stratified by province and region to ensure adequate sub-samples for meaningful regional analysis. The data are weighted in tabulation to replicate actual population distribution by age and sex within each region, according to the most current Census data available. The table below presents the sample sizes before and after the weighting process.

In this example, each of the 108 Atlantic Canadian cases would be weighted downwards to equal 78 cases, meaning each case counted as .72 to the overall Atlantic Canada total. Atlantic Canada cases ***are not*** transferred to other regions.

Region/Province	Unweighted Sample	Weighed Sample
Atlantic Canada	108	78
Québec	257	252
Ontario	325	387
Manitoba/Saskatchewan	102	69
Alberta	102	99
British Columbia	126	135
CANADA	1,020	1,020

Every Canadian household with a telephone number had an equal chance of being selected for the study. Up to eight call-backs were used to reach selected respondents who may not have been available at the time of the call, in order to ensure an appropriate distribution across gender and age.

Survey Administration

The survey was conducted with 1,020 Canadians in English and French by telephone between October 13 and 18, 2005. All interviewing was conducted by fully trained interviewers using computer-assisted-telephone-interviewing.

Sample Disposition

A total of 23,483 telephone numbers were dialled for this study, from which 1,020 households qualified as eligible (adults 18 years and older) and completed the survey. The overall response rate is 6%. The final disposition of all contacts is presented in the following table, in accordance with the reporting standards established by the Marketing Research and Intelligence Association (MRIA).

Decima - teleVox October 2005 Week 2

A (1-14)	Total Attempted	23,483
1	Not in service	1,871
2	Fax	520
3	Invalid #/ Wrong#	2,323
B (4-14)	Total Eligible	18,769
4	Busy	243
5	Answering machine	2,973
6	No answer	4,137
7	Language barrier	324
8	Ill/Incapable	107
9	Eligible not available/Callback	2,138
C (10-14)	Total Asked	8,847
10	Household/Company Refusal	3,127
11	Respondent Refusal	4,426
12	Qualified Termination	119
D (13-14)	Co-operative Contact	1,175
13	Not Qualified	157
14	Completed Interview	1,018
	REFUSAL RATE	86.72
	RESPONSE RATE	6.26
	INCIDENCE	87.87

Sample Distribution

A sample of 1,020 drawn from the Canadian population would be expected to provide results accurate to within plus or minus 3.1 percent in 95 out of 100 samples. The margin of error will be greater for regional and provincial sub-samples, as presented in the following table.

Sample Distribution by Region

Region/Province	Unweighted Sample	Margin of Error ¹
Atlantic Canada	108	+/- 9.8%
Québec	257	+/- 6.2%
Ontario	325	+/- 5.4%
Manitoba/Saskatchewan	102	+/- 9.6%
Alberta	102	+/- 9.8%
British Columbia	126	+/- 8.8%
CANADA	1020	+/- 3.1%

¹Percentage based on 95% confidence level.

APPENDIX A: QUESTIONNAIRES

QUESTIONNAIRE

1. Would you say you are very familiar, somewhat familiar, not very familiar or not at all familiar with the aerospace industry?
2. When you hear the words aerospace industry, do you have a positive, neutral or negative reaction?
3. Why? (RECORD VERBATIM. ACCEPT 3 RESPONSES)
4. What comes to mind when you hear the words aerospace industry? (OPEN-ENDED RESPONSE. RECORD VERBATIM ACCEPT 3 RESPONSES)

Please tell me how important you feel each of the following industries are to ensuring that Canada's economy is healthy in the future. For each, please tell me if you feel it vital that Canada succeeds in this sector, important, not all that important, or not important at all. How about . (READ AND ROTATE)

5. The Automotive industry
6. The Aerospace industry
7. The Information technology industry
8. The biotechnology industry
9. The agricultural sector
10. The natural resources sector
11. Would you say that the aerospace sector gets more financial support from the federal government than is provided to other sectors of the economy, or gets less support. (Should be treated no differently, volunteered)
12. Would you say that the aerospace industry gets more financial support from the federal government than is provided to the automotive industry or gets less support? (Is treated no differently, volunteered)
13. And do you think the aerospace sector should get more financial support from the federal government than most other sectors of the economy, or get less support. (Should be treated no differently, volunteered)
14. In your opinion, does the Canadian aerospace industry receive more, less or about the same amount of government assistance as aerospace industries in other countries?

For each of the following statements, please tell me if you strongly agree, agree, disagree or strongly disagree (READ AND ROTATE):

15. The aerospace industry is innovative/is a high technology industry (split sample)
16. The aerospace industry contributes to the economy where I live
17. The aerospace industry in Canada is truly Canadian/is more foreign than Canadian (split sample)
18. The government should provide (SPLIT SAMPLE: repayable) funding to aerospace companies with new ideas and a proven track record of success.
19. The government should provide (SPLIT SAMPLE: repayable) funding to aerospace companies with new ideas that cannot otherwise gain access to capital.
20. Government assistance to aerospace companies is always wrong/ SPLIT SAMPLE: Government assistance to aerospace companies is always wrong, even if funds are repayable in the future.
21. Can you name any Canadian aerospace companies? If so, what are they? (DO NOT READ LIST – ACCEPT ALL RESPONSES – ANY OTHERS?)

Bombardier
Pratt&Whitney Canada
Héroux Devtek
Standard Aero
MDA (MacDonald Dettwiler and Associates)
Messier Dowty
Honeywell Canada
Magellan Aerospace
CAE Inc.
Boeing Canada
Bell Helicopter Textron
Avcorp Industries
Other: specify _____

22. How many Canadian companies would you estimate there are in the aerospace industry? Would you say there are:

- less than 50
- 50-100
- 100-200
- more than 200
- Don't know / no response (DO NOT READ)

QUESTIONNAIRE

1. Diriez-vous que vous connaissez très bien, assez bien, pas très bien ou pas bien du tout l'industrie aérospatiale?
2. Lorsque vous entendez les mots industrie aérospatiale, avez-vous une réaction positive, neutre ou négative?
3. Pourquoi? (ENTREZ MOT À MOT. ACCEPTEZ JUSQU'À 3 RÉPONSES)
4. Qu'est-ce qui vous vient en tête lorsque vous entendez les mots industrie aérospatiale? (QUESTION OUVERTE ENTREZ MOT À MOT. ACCEPTEZ JUSQU'À 3 RÉPONSES)

Veillez me dire dans quelle mesure vous croyez que les industries suivantes contribueront dans l'avenir à la santé économique du Canada. Pour chacune d'entre elles, veuillez me dire si vous croyez qu'il est vital que le Canada réussisse dans cette industrie, s'il est important qu'il réussisse, pas si important qu'il réussisse ou pas du tout important qu'il réussisse. Qu'en est-il de... (LISEZ DE FAÇON ALÉATOIRE)

5. L'industrie automobile
6. L'industrie aérospatiale
7. L'industrie des technologies de l'information
8. L'industrie de la biotechnologie
9. Le secteur de l'agriculture
10. Le secteur des ressources naturelles
11. Diriez-vous que le secteur de l'aérospatial obtient davantage de financement du gouvernement fédéral que les autres secteurs de l'économie ou qu'il en obtient moins? (Il ne devrait pas être traité différemment, dit spontanément)
12. Diriez-vous que l'industrie aérospatiale obtient davantage de financement du gouvernement fédéral que l'industrie automobile ou qu'elle en obtient moins? (N'est pas traitée différemment, dit spontanément)
13. Et croyez-vous que le secteur de l'aérospatial devrait obtenir davantage de financement du gouvernement fédéral que la plupart des autres secteurs de l'économie ou qu'il devrait en obtenir moins? (Il ne devrait pas être traité différemment, dit spontanément)

14. À votre avis, l'industrie aérospatiale canadienne reçoit-elle plus d'argent, moins d'argent ou environ le même montant d'argent que l'industrie aérospatiale des autres pays?

Veillez me dire si vous êtes fortement en accord, en accord, en désaccord ou fortement en désaccord avec les énoncés suivants (LISEZ DE FAÇON ALÉATOIRE) :

15. L'industrie aérospatiale est novatrice/une industrie de haute technologie (divisez l'échantillon)
16. L'industrie aérospatiale contribue à l'économie de l'endroit où j'habite
17. Au Canada, l'industrie aérospatiale est vraiment canadienne/est plus étrangère que canadienne (divisez l'échantillon)
18. Le gouvernement devrait offrir du financement (DIVISEZ L'ÉCHANTILLON: **remboursable**) aux sociétés aérospatiales qui ont de nouvelles idées et qui ont un historique de succès.
19. Le gouvernement devrait offrir du financement (DIVISEZ L'ÉCHANTILLON: **remboursable**) aux sociétés aérospatiales qui ont de nouvelles idées et pour qui c'est le seul moyen de se procurer le capital nécessaire.
20. Il n'est jamais bon que le gouvernement procure de l'aide aux sociétés aérospatiales/ DIVISEZ L'ÉCHANTILLON: Il n'est jamais bon que le gouvernement procure de l'aide aux sociétés aérospatiales, même lorsque ces sociétés doivent rembourser les sommes reçues.
21. Pouvez-vous nommer des sociétés aérospatiales canadiennes? Si oui, lesquelles? (NE LISEZ PAS LA LISTE – ACCEPTEZ TOUTES LES RÉPONSES – Y EN A-T-IL D'AUTRES?)

Bombardier
Pratt & Whitney Canada
Héroux Devtek
Standard Aero
MDA (MacDonald Dettwiler et Associés)
Messier Dowty
Honeywell Canada
Magellan Aerospace
CAE Inc.
Boeing Canada
Bell Helicopter Textron
Industries Avcorp
Autre : précisez _____

22. À combien estimez-vous le nombre de sociétés canadiennes oeuvrant dans l'industrie aérospatiale? Diriez-vous qu'il y en a :
- Moins de 50
 - De 50 à 99
 - De 100 à 200
 - Plus de 200
 - Ne sait pas/ pas de réponse (NE LISEZ PAS)