

Best Defence Conference 2015 Opening

Opening Remarks

November 4th, 2015, London Convention Centre, London, Ontario

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THANK YOU HEATHER. IT IS A PLEASURE FOR ME TO SPEAK TO YOU AGAIN THIS YEAR AT THE FOURTH ANNUAL BEST DEFENCE CONFERENCE.

HEATHER AND ALL THE ORGANIZERS OF BEST DEFENCE DESERVE GREAT CREDIT FOR HAVING BUILT THIS INTO AN IMPORTANT, IF NOT MUST ATTEND EVENT ON THE CALENDAR FOR CANADA'S DEFENCE INDUSTRY AND OUR PARTNERS IN GOVERNMENT AND THE CANADIAN ARMED FORCES. THE RICH EXPERIENCE WE HAVE ON THE PANELS TODAY FROM COMPANIES, THE PUBLIC SERVICE AND THE MILITARY, AND THE BROAD AND TOPICAL RANGE OF SUBJECT MATTER BEING COVERED BY THOSE PANELS, IS TESTAMENT TO JUST HOW FAR BEST DEFENCE HAS COME IN FOUR SHORT YEARS.

I'D ALSO LIKE TO TAKE A MOMENT TO APOLOGIZE IN ADVANCE FOR BEING UNABLE TO SPEND MORE TIME HERE TODAY NETWORKING AND CATCHING UP WITH PEOPLE ON WHAT WE'RE DOING BACK IN OTTAWA FOLLOWING THE ELECTION. TONIGHT IS THE TRUE PATRIOT LOVE DINNER AND CADSI IS ALSO A LONGSTANDING SUPPORTER OF THE FOUNDATION. I WOULD BE REMISS IF I DIDN'T ALSO SHOW OUR INDUSTRY'S SUPPORT FOR MILITARY FAMILIES TONIGHT IN TORONTO. NICOLAS TODD, OUR DIRECTOR OF GOVERNMENT RELATIONS AND COMMUNICATIONS, HOWEVER, HAS COME WITH ME THIS TIME AND PLEASE PEPPER HIM WITH ALL THE ENQUIRIES YOU MIGHT HAVE.

ACCORDING TO THE LONDON ECONOMIC DEVELOPMENT CORPORATION, "THE LONDON REGION IS A HUB FOR A GROWING DEFENCE CLUSTER". I WANT TO REFLECT IN THE FEW MINUTES I HAVE ON THE IDEA OF LONDON AS A DEFENCE CLUSTER.

BY CLUSTER HERE I'M THINKING OF THE ECONOMIC DEFINITION OF THE TERM, IN SHORT A GEOGRAPHIC CONCENTRATION OF COMPANIES IN A PARTICULAR FIELD THAT EXHIBIT HIGH LEVELS OF PRODUCTIVITY, INNOVATION, LOWER PRODUCTION COSTS AND ECONOMIES OF SCALE--IN OTHER WORDS, STRONGER COMPETITIVENESS, BY VIRTUE, IN PART, OF THE CLUSTERING EFFECT. BEING PART OF A TRUE INDUSTRIAL CLUSTER, ACCORDING TO HARVARD MANAGEMENT GURU MICHAEL PORTER, "ALLOWS COMPANIES TO OPERATE MORE PRODUCTIVELY IN SOURCING INPUTS; ACCESSING INFORMATION, TECHNOLOGY, AND NEEDED INSTITUTIONS; COORDINATING WITH RELATED COMPANIES; AND MEASURING AND MOTIVATING IMPROVEMENT".

IN EFFECT WHAT WE'RE LOOKING FOR IS FOR THE WHOLE TO BE GREATER THAN THE SUM

OF THE PARTS.

NOW EVERYONE IN OTTAWA, OF COURSE, HAS SOME KNOWLEDGE OF GDLS AND ITS PHENOMENAL SUCCESS I HAD THE PLEASURE OF BEING HOSTED AT GDLS YESTERDAY. GDLS IS OBVIOUSLY THE ANCHOR COMPANY IN THE LONDON DEFENCE INDUSTRY, NOT TO MENTION ONE OF CANADA'S DEFENCE INDUSTRY CROWN JEWELS, RECOGNIZED IN THIS COUNTRY AND IN MANY OTHERS FOR PRODUCING THE BEST LIGHT ARMoured VEHICLES IN THE WORLD.

WHAT IS PERHAPS LESS WELL UNDERSTOOD IS THAT THIS FIRM IS AT THE CORE OF A NASCENT DEFENCE CLUSTER IN THIS CITY AND REGION, ONE WHICH ACCORDING TO THE LONDON ECONOMIC DEVELOPMENT CORPORATION EMPLOYS MORE THAN 12,000 HIGHLY SKILLED PEOPLE WORKING IN 45 DEFENCE-RELATED COMPANIES. MANY OF THESE COMPANIES OF COURSE WORK ON ARMoured VEHICLES--COMPANIES LIKE ARMATEC, MILITEX, MILITARY POWER HOUSE, AND KONGSBERG DEFENCE SYSTEMS. I INVITE YOU TO TAKE A LOOK AT OUR BOOTH WE'RE ALL ABOUT PUTTING THE SPOTLIGHT ON WHAT THIS PARTICULAR CLUSTER MEANS TO CANADIANS.

BUT THERE ARE ALSO FIRMS IN LONDON THAT ARE IN MUCH DIFFERENT LINES OF THE DEFENCE BUSINESS, SUCH AS DIAMOND AIRCRAFT, A DESIGNER, BUILDER AND TESTER OF LIGHT AIRCRAFT, AND DAVWIRE, EXPERTS IN ELECTRICAL HARNESSSES AND ASSEMBLIES FOR AIR, LAND AND COMMUNICATIONS SYSTEMS. THE DEVELOPMENT OF THE LONDON DEFENCE CLUSTER HAS BEEN QUIETLY AND GRADUALLY HAPPENING FOR YEARS NOW. IT MAKES ME PROUD TO HAVE GROWN UP IN THIS SOUTHERN ONTARIO POWERHOUSE OF A REGION.

MY IMPRESSION IS THAT THERE IS A GROWING AWARENESS IN SOME PARTS OF THE FEDERAL GOVERNMENT, AND HOPEFULLY AT QUEEN'S PARK AS WELL, THAT THE LONDON DEFENCE SECTOR NEEDS TO BE CONSIDERED MORE AS A NASCENT INDUSTRIAL CLUSTER--WITH ALL THE POSITIVE ECONOMIC BENEFITS THAT IMPLIES--RATHER THAN SEEN AS ONE BIG, IMPORTANT FIRM WITH A FEW LOCAL SUPPLIERS. THE SUCCESS OF THIS CONFERENCE IN ATTRACTING SENIOR GOVERNMENT AND MILITARY OFFICIALS FOUR YEARS RUNNING IS SOME EVIDENCE OF THAT GROWING AWARENESS.

AT CADSI WE SEE PART OF OUR ROLE AS HELPING EDUCATE POLITICIANS, GOVERNMENT OFFICIALS, AND TO SOME DEGREE THE GENERAL PUBLIC, ABOUT EXCITING DEFENCE INDUSTRY STORIES. AND CERTAINLY THE DEFENCE CLUSTER YOU HAVE BUILT HERE IN LONDON IS AN IMPORTANT STORY, ONE THAT TELLS US A LOT ABOUT OUR INDUSTRY, AND ONE THAT WE WANT TO HELP TELL IN OTTAWA OVER THE COMING MONTHS AND YEARS.

RESEARCH BEING CARRIED OUT BY INDUSTRY CANADA AND STATISTICS CANADA ON THE CANADIAN DEFENCE INDUSTRIAL BASE--RESEARCH WHICH CADSI IS INVOLVED IN SHAPING--WILL GATHER KEY INDICATORS LIKE R&D AND THE EXPORT INTENSITY OF FIRMS IN OUR SECTOR TO HELP INFORM POLICY MAKERS AND THOSE RESPONSIBLE FOR IMPLEMENTING THE NEW INDUSTRIAL AND TECHNOLOGICAL BENEFITS PROGRAM, THE SUCCESSOR TO THE IRB PROGRAM. I ASSUME THE DEFENCE FIRMS IN THIS ROOM HAVE BEEN CONTACTED BY STATISTICS CANADA TO COMPLETE THE SURVEY. BEYOND THE IMPLEMENTATION OF THE ITB POLICY, HOWEVER, THIS RESEARCH SHOULD ALSO HELP FURTHER ILLUMINATE THE DEFENCE CLUSTER IN THIS REGION--THE UNIQUE FEATURES

THAT IT HAS THAT SET IT APART FROM MOST OTHER INDUSTRIES IN CANADA--WHICH WILL HOPEFULLY LEAD GOVERNMENTS TO PAY GREATER ATTENTION TO WHAT IS GOING ON IN LONDON.

NOW, NOT TO PUT HIM IN THE "HOT SEAT", BUT ON THIS NOTE WE'RE LUCKY THIS MORNING TO HAVE WITH US OUR NEXT SPEAKER, MR. JEFF WARING, THE SENIOR DIRECTOR OF THE INDUSTRIAL AND TECHNOLOGICAL BENEFITS BRANCH AT INDUSTRY CANADA.

JEFF IS RESPONSIBLE FOR THE APPLICATION OF ITB POLICY, INCLUDING VALUE PROPOSITION, FOR CANADIAN DEFENCE AND COAST GUARD PROCUREMENTS. PRIOR TO JOINING THE ITB BRANCH, HE WAS THE DIRECTOR, F-35 INDUSTRIAL PARTICIPATION, WORKED AS CHIEF OF STAFF TO THE DEPUTY MINISTER AT INDUSTRY CANADA AND AS A DEPARTMENT ADVISOR IN THE OFFICE OF THE MINISTER OF INDUSTRY. HIS ECONOMICS DEGREE FROM UNIVERSITY OF WATERLOO HAS INEVITABLY HELPED HIM BUILD THE BUSINESS CASE BENEFITS OF PARTNERSHIP WITH CANADIAN INDUSTRY.

IT'S MY PLEASURE TO ASK JEFF TO COME UP AND GIVE US AN UPDATE ON THE WORK INDUSTRY CANADA HAS BEEN LEADING.