

## **International Defence Exhibition and Conference 2015**

### **Seminar**

### **Canadian Company Seminar**

Opening Remarks

February 23rd, 2015, Novotel Abu Dhabi Al Bustan, Abu Dhabi

#### **Check Against Delivery**

BONJOUR TOUT LE MONDE AND ON BEHALF OF CADSI, I'D LIKE TO THANK EVERYONE FOR JOINING US AT IDEX 2015 EITHER UNDER THE CANADA PAVILION UMBRELLA OR ELSEWHERE ON THE TRADE SHOW FLOOR.

COMME LE RESTE DES INTERLOCUTEURS, JE VAIS LIVRER MES REMARQUES EN ANGLAIS. COMME TOUJOURS, POUR LES FRANCOPHONES DANS LA SALLE, JE SUIS PLUS QU'HEUREUX DE PRATIQUER MA LANGUE SECONDE AVEC VOUS DANS LA CONVERSATION.

I THINK THAT 2015 PROMISES TO BE AN INTERESTING YEAR FOR CANADIAN DEFENCE EXPORTS. I LIKE TO THINK OF WHAT'S GOING ON AS A STEP IN THE RIGHT DIRECTION TO ACHIEVE GREATER ALIGNMENT AS A NATION. FOR OUR PART, CADSI IS PURSUING A VERY ACTIVE INTERNATIONAL PROGRAM THIS YEAR, BRINGING AS MANY COMPANIES AS WE CAN UNDER THE UMBRELLA OF THE CANADA PAVILION, BUILDING OUR BRAND INTERNATIONALLY.

WITH RESPECT TO THE CANADA PAVILION, WE SEE THIS AS AN OPPORTUNITY TO "BRAND SHARE". THE CANADIAN MAPLE LEAF AND OUR SIGNATURE RED AND WHITE IS BECOMING RECOGNIZED AT INTERNATIONAL SHOWS. IF YOU ATTEND THE RECEPTION TOMORROW, YOU'LL FORGIVE ME FOR GIVING YOU A PREVIEW OF COMING ATTRACTIONS WITH RESPECT TO STATISTICS, BUT THE PAVILION HAS GONE FROM FOUR COMPANIES OVER 571 SQUARE FEET IN 2013 TO 17 COMPANIES AND 4210 SQUARE FEET TODAY. AS THERE'S NOTHING MORE IMPACTFUL THAN A "SHOW AND TELL", I RECOMMEND THAT IF YOU ARE NOT WITH US THAT YOU DROP BY - WE'RE AT B01-44.

I WOULD LIKE TO THANK MY TEAM FOR THEIR SUPPORT AND, IN PARTICULAR, I WANT TO THANK STEVEN HILLIER, WHO IS NOT IN THE ROOM TODAY BECAUSE HE'S MAKING SURE THE FIRST DAY IS CUED UP PROPERLY, FOR NOT SLEEPING WHILE TRAVELLING WITH ME FOR THE LAST MONTH BECAUSE HE'S ALWAYS WORKING ON CREATING SOMETHING THAT REPRESENTS BUSINESSES WELL.

YOU SHOULD ALSO BE AWARE OF TWO THINGS WITH RESPECT TO OUR INTERNATIONAL

PROGRAM: (1) THAT CANADIAN COMPANIES CAN HAVE ACCESS TO GOA (GLOBAL OPPORTUNITIES FOR ASSOCIATIONS) FUNDING TO HELP SUPPORT YOUR COSTS AND (2) THAT WE ARE ALL BENEFITTING FROM INVESTMENTS MADE IN MARKETING AND TRADE SHOW PROMOTION BY WESTERN ECONOMIC DIVERSIFICATION CANADA (WD). WHILE WE CANNOT GUARANTEE RENEWED FUNDING FROM THESE SOURCES, WE HAVE RECENTLY RE-APPLIED, ON YOUR BEHALF, FOR GOA AND WD FUNDING TO HELP OFFSET THE COSTS OF REACHING OUT INTERNATIONALLY. WE ARE ALSO WORKING WITH THE OTHER REGIONAL DEVELOPMENT AGENCIES - ATLANTIC CANADA OPPORTUNITIES AGENCY (ACOA), DÉVELOPPEMENT ÉCONOMIQUE CANADA POUR LA RÉGION DU QUÉBEC (CED-Q), AND THE FEDERAL ECONOMIC DEVELOPMENT AGENCY (FEDDEV) TO DETERMINE IF OTHER REGIONS ARE WILLING TO PARTICIPATE IN THIS OUTREACH PROGRAM. IN YOUR CONVERSATIONS WITH THEM, I WOULD SUGGEST TO THOSE OF YOU WHO SEE VALUE IN THE INTERNATIONAL PROGRAM AND WOULD LIKE IT TO GROW, TO ENCOURAGE THE RDAS TO JOIN WD TO CONTINUE TO SUPPORT THE CANADA BRAND.

THIS ACTIVITY IS A SMALL PART OF WHAT I BELIEVE WE NEED TO DO MORE OF AS A NATION - STRATEGIC THINKING ABOUT WHERE WE WANT TO BE, WHAT KIND OF INDUSTRY WE NEED TO SUPPORT THAT VISION, WHAT CAPABILITIES WE HAVE IN PLACE ALREADY AND WANT TO GROW, AND WHAT GAPS WE HAVE TO FILL TO GET THERE. IT IS INTERESTING TO USE THE MIDDLE EAST, IN PARTICULAR THE UAE (UNITED ARAB EMIRATES) AND OTHER GCC (GULF COOPERATIVE COUNCIL) STATES AS AN EXAMPLE OF THIS KIND OF THINKING. AS YOU KNOW, THE UAE'S ECONOMY RELIES HEAVILY ON ITS CAPACITY TO EXPORT OIL AND IS THEREFORE EXPOSED AND HIGHLY SENSITIVE TO THE VAGARIES OF INTERNATIONAL ENERGY MARKETS. AS OF ABOUT 2009 WHEN A DECREASED WESTERN DEMAND FOR OIL AND DEBT ISSUES LED TO A CONTRACTION IN GDP IN THE UAE BY 1.6%, THE FEDERATION TOOK UP ADDITIONAL EFFORTS WHICH HAD BEEN STARTED DECADES BEFORE, TO DIVERSIFY ITS ECONOMY AND IN 2011 AROUND 1/3 OF ITS GDP WAS DERIVED FROM NON-OIL RELATED REVENUES. DEFENCE PROCUREMENT IS VIEWED AS A MEANS BY WHICH TO PROVIDE DIRECT AND MEANINGFUL EMPLOYMENT FOR THE COUNTRY'S CITIZENS.

A LITTLE OVER A YEAR AGO, THE GOVERNMENT OF CANADA UNVEILED ITS GLOBAL MARKETS ACTION PLAN AND DEFENCE WAS IDENTIFIED AS A PRIORITY SECTOR FOR EXPORT-LED GROWTH. IN ADDITION, THE DEFENCE PROCUREMENT STRATEGY, RELEASED ALMOST EXACTLY A YEAR AGO, HAS A MAJOR EXPORT COMPONENT TO IT THAT, AMONG OTHER THINGS, SETS AN AMBITIOUS TARGET TO INCREASE EXPORT REVENUE EARNED BY THE CANADIAN DEFENCE SECTOR BY 40% OVER TEN YEARS. IT IS HIGHLY UNUSUAL FOR GOVERNMENTS TO SET SECTOR SPECIFIC GROWTH TARGETS, SO THIS SAYS SOMETHING ABOUT HOW IMPORTANT DEFENCE EXPORTS ARE TO THE GOVERNMENT.

THE GOVERNMENT'S INTEREST IN DEFENCE EXPORTS EXTENDS DIRECTLY INTO CADSI'S OFFICES. WE ARE SUPPORTED FROM WITHIN BY DFATD'S ANDREW HASWELL, WHO WORKS WITH US ON ADVANCING THE DEFENCE EXPORT FILE. THIS IS A TANGIBLE COMMITMENT OF HUMAN RESOURCES BY THE GOVERNMENT THAT IS RARE AMONG TRADE ASSOCIATIONS. EACH OF YOU CAN HELP US BY IDENTIFYING YOUR TARGET MARKETS WHEN FILLING IN YOUR MEMBERSHIP SURVEY. WE ARE ASKING YOU FOR MORE INFORMATION NOT BECAUSE WE'RE NOSY, BUT BECAUSE IT IS ONE OF THE WAYS WITH WHICH WE CAN HELP PROVIDE YOU LINKS TO ON-GOING OPPORTUNITIES WHEN WE HEAR OF THEM, AND ONE OF THE WAYS WE IDENTIFY COUNTRIES TO TARGET FOR

DELEGATIONS AT CANSEC.

IN ADDITION, AS WE HAVE HEARD FROM COLONEL ROY, OUR OWN DEFENCE ATTACHES HAVE BEEN GIVEN CLEAR MANDATE TO HELP "PROMOTE" DEFENCE IN THE REGIONS. WE ARE ONE OF THE FEW NATIONS THAT HAS NOT DONE THIS AS A GENERAL RULE, BUT THESE "MARCHING ORDERS" SIGNAL A SHIFT IN THE THINKING ABOUT HOW WE SPREAD THE WORD ABOUT THE PRODUCTS AND SERVICES OUR INDUSTRY HAS DELIVERED DOMESTICALLY IN ORDER TO INCREASE THE PROBABILITY OF EXPORT SALES.

FURTHERMORE, AT CADSI IN RECENT MONTHS, WE HAVE HAD MANY CALLS FROM CANADIAN EMBASSIES AND CONSULATES AROUND THE WORLD LOOKING FOR INFORMATION ABOUT OUR COMPANIES AND THEIR PRODUCTS AND SERVICES. THE MESSAGE IN THIS IS THAT THE PRIORITY THE GOVERNMENT HAS ATTACHED TO DEFENCE EXPORTS ISN'T JUST ON PAPER, IT HAS NOW TRICKLED DOWN INTO THE OPERATIONS OF CANADA'S FOREIGN MISSIONS AROUND THE WORLD. AND ON THAT POINT, I WOULD URGE ALL OF YOU, WHEN TRAVELLING ABROAD, TO CHECK IN WITH THE CANADIAN EMBASSY OR TRADE CONSULATE IN THE COUNTRIES YOU VISIT TO HELP THE GOVERNMENT DEVELOP SOME MUCH NEEDED METRICS ON CANADIAN DEFENCE INDUSTRY FOREIGN MARKET ACTIVITY.

ALL THIS TO SAY THAT EXPORTING DEFENCE PRODUCTS AND SERVICES, WHICH HAS ALWAYS BEEN A HIGH PRIORITY FOR OUR SECTOR GIVEN THAT HALF OF INDUSTRY REVENUE COMES FROM EXPORTS, IS NOW CLEARLY A PRIORITY FOR THE FEDERAL GOVERNMENT IN A WAY IT HASN'T BEEN FOR MANY YEARS. I CAN ATTEST TO THIS AS WELL FROM PERSONAL INTERACTIONS I HAVE HAD WITH MINISTER RECENTLY. THE GOVERNMENT NOW RECOGNIZES THAT REAL OPPORTUNITIES EXIST IN THE INTERNATIONAL MARKETPLACE FOR CANADIAN DEFENCE PRODUCTS AND SERVICES. AND THERE IS NOW ALSO A SHARED UNDERSTANDING THAT GOVERNMENT-INDUSTRY PARTNERSHIPS ARE ESSENTIAL TO SEIZING THEM AND AT CADSI WE'LL KEEP ON LOOKING FOR WAYS TO SHOWCASE THE INDUSTRY BOTH AT HOME AND ABROAD.

ONCE AGAIN, THANK YOU FOR BEING HERE, MERCI, TOUT LE MONDE.