Bombardier Ramps Up CSeries Production

Ross Marowits, The Canadian Press

MONTREAL - Bombardier Aerospace doesn't expect to hire more foreign workers to build its new CSeries aircraft despite possible shortages in skilled labour in Canada.

The aerospace giant has occasionally hired foreign engineers and temporarily uses its own employees from the U.S., China and Britain.

But Bombardier said Monday it should be able to ramp-up production of the new plane by tapping into a pool of trained Canadian workers.

"With the work that we're doing with the various schools, we are very confident that we'll be able to find the required manpower to ramp-up the CSeries right here in Montreal," spokeswoman Helene Gagnon said.

Despite high unemployment, several sectors of the Canadian economy face shortages of skilled labour.

The aerospace industry employs more than 42,000 workers in Quebec. It says nearly 50,000 more will be required over the next 10 to 15 years to replace retirements and growing demand for aircraft from emerging countries.

Bombardier (TSX:BBD.B) has 2,000 people working directly on the CSeries in the Montreal area, and expects to reach 3,500 by peak production in 2017. Another 800 will be working on the aircraft's wing in Belfast, Northern Ireland.

The airplane is expected to make its first test flight by June and enter into a service next year.

Overall, Bombardier Aeropsace is recruiting for 2,200 positions at its operations around the world, including 400 production workers and 1,000 other positions in the Montreal area.

In addition to the CSeries, Bombardier [1]is developing business jets like the Learjet 85 and Global 7000 and 8000.

Among the foreigners currently working on the CSeries program are 16 test flight experts from Wichita, Kansas, where Bombardier has previously conducted all its aircraft flight tests.

The company says the workers received permits as an inter-site transfer, not the controversial temporary foreign workers program.

Ottawa is promising reforms to the temporary foreign worker program to ensure that foreign workers only fill spots temporarily in fields where there are acute labour

shortages.

The move came as Royal Bank chief executive Gord Nixon apologized after some of its Canadian workers complained they were being replaced by foreigners.

Quebec Finance Minister Nicolas Marceau called on the federal government to ensure Canadian workers aren't displaced.

"The use of temporary workers is not an appropriate long-term manner to solve our problems," he said after also speaking to the Aero Montreal annual meeting.

Labour shortages aren't yet an acute problem but will worsen as the working age population continues to decline, the minister said.

He said the province needs to encourage more young people to stay in school and get older workers not to retire before they turn 65.

Marceau said there are pressures on all sectors of the economy, not just aerospace.

Multi-national corporations like Bombardier benefit from moving its employees around to its various locations around the world.

"There is some potential shortage, but Bombardier is such a big company and we are still very able to attract manpower to actually come work for us," Gagnon said.

The industry has been to bolster interest in aerospace and confront concerns about cyclical downturns that prompt layoffs, she said.

In addition to working closely with training facilities, Aero Montreal is preparing to appeal directly to young people by launching a website this fall and turning to social media.

Gilles Labbe, Aero Montreal chairman and CEO of Heroux-Devtek (TSX:HRX) said the industry has worked for many years to encourage young people to join a sector that is now on the upswing.

"On the civil side things are going in the right direction," he said pointing to the first increase in sales since the recession.

Business jets hit bottom in 2012 and are expected to improve for the next five years, but military aerospace should be flat or decrease as governments around the world focus on trimming deficits.

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