

# Aerospace and Defence



Home to the largest formation of the Canadian Navy, two air force bases, the Maritime Warfare Centre, and 30% of Canada's defence companies, Nova Scotia is a natural hub for defence activity.

Based in Halifax, Canada's next fleet of combat vessels are being constructed by Irving Shipbuilding in the largest under-cover shipbuilding facility in North America. This contract has become the largest single defence procurement in Canadian history. It's no wonder it was awarded to Nova Scotia - we have the technical expertise, cooperative industry, and a culture of excellence.

Once other branches of the military are factored in, we have the highest concentration of Canada's military assets, which have attracted a diverse group of companies. Nova Scotia develops innovative products and services for companies in the commercial, military and aerospace sectors.

Attracted by our strategic location, concentration of defence activities, and access to cost competitive talent, Nova Scotia has a dynamic cluster of defence and security companies that deliver innovative solutions to global markets.

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## About the Sector

Given our industry's expertise in shipbuilding, sonar and sensing, in-service support, cybersecurity, and training and simulation, more than 30% of Canada's top defence companies are located in Nova Scotia. Our province has the highest concentration of defence spending in the country.

Canada's next generation of combat vessels are being built here, with a contract valued at up to an estimated \$62 billion over a 30-year period. Overall, Nova Scotia's defence sector generates \$1.5 billion per year in revenue.

This is all supported by substantial capacity in research and development (R&D). Much of this capacity comes from a cluster of multinational companies that conduct high-value R&D work for the Department of National Defence (DND).

Nova Scotia is home to several institutions, such as Dalhousie University and the Bedford Institute of Oceanography, that provide invaluable support to the aerospace and defence sector as leaders in marine technology R&D. Additionally, Canada's leading centre in sonar technology, torpedo defence, mine hunting, ship hydrodynamics, and naval materials research is located in Nova Scotia.



## A Place to Address Offset Commitments

Nova Scotia welcomes offset investments stemming from working with DND. Explore opportunities through partnering with small and medium-sized enterprises (SME) or conducting R&D.

- Growing cluster of SMEs involved in ocean tech, naval defence, cyber security, ICT, and training and simulation. 99% of businesses in the province have less than 200 employees, making partnership opportunities flexible.
- 10 research-driven universities, multiple research institutions, and a tax credit of up to 50% of eligible costs make Nova Scotia one of the best places in Canada to conduct R&D.

Software-based products and services account for 40% of the industry's work, followed by systems integration & supporting services (27%), engineered products (22%) and aerostructures (11%).

## Incentives

In Nova Scotia, we understand that a strong economy is the foundation of a strong province. That's why we offer some of the most competitive business costs in the country, as well as industry-relevant incentives.

We also offer:

- Federal research and development tax credits and accelerated capital cost allowances
- Provincial grants, loans, guarantees and tax credits
- Energy efficiency and productivity incentives
- Trade and export support programs

## You're in good company

Some of the world's top companies have taken advantage of the unique opportunities in Nova Scotia's A&D sector.



**GENERAL DYNAMICS**  
Canada



**Pratt & Whitney Canada**  
A United Technologies Company



## For more information contact:

### Harvey Doane

Investment Attraction, Defence, Security & Aerospace  
+1 902 722 1323 / hdoane@nsbi.ca  
Mobile: +1 902 403 5316

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