



TOUGH TIMES IN CANADA

News / Business aviation



The last few months have been some of the toughest that Bombardier has ever faced. But they have not been the worst.

In 1949 Bombardier was close to shutting down completely. The Quebec government decided that it would clear snow from rural roads. It meant customers no longer needed Bombardier's seven-passenger B7 snowmobile to get around.

Now the Quebec government is firmly on the company's side.

It did not have a great deal of choice. Following the breakdown in talks between Airbus and Bombardier – Bombardier offered a stake in the C Series to Airbus, but the European manufacturer declined – the local government had to step in. This has ensured that the C Series commercial airliner gets completed and has also safeguarded many jobs. Quebec has agreed to invest \$1 billion to help get the aircraft certificated.

It would be unfair to suggest that Bombardier is hinging its future completely on the C Series, but the Quebec government's investment is only in the commercial airliner. At the same time, Bombardier announced that it would cancel the LearJet 85 (and write off \$1.2 billion).

It is easy to feel sympathetic for those working for Bombardier Business Aviation. They have delivered strong sales during very tough markets. But they have suffered because of the C-Series.

The company cut just over 1,000 people following the pausing of the LearJet 85 in January, and then reduced the workforce by a 1,750 with the announcement of the Global production rate cut

and the delay of the new Global 7000 / 8000. David Coleal, the new president of Bombardier Business Aircraft, is highly regarded but his division cannot prop up the C Series on its own.

Bombardier was always going to be too big to fail, and with the new investment the company can focus its efforts on getting the C Series to customers. But further investment into business aviation may have to wait until those first delivery payments for C Series deliveries have been made.

03 NOVEMBER 2015

SOURCE: CORPORATEJETINVESTOR

ARTICLE LINK:

<https://ids.50skyshades.com/news/business-aviation/tough-times-in-canada>