

# SOUTHERN ALBERTA'S **AEROSPACE & DEFENCE**

Development Hub



# WHY Medicine Hat

The city where **opportunity** soars

Medicine Hat has the ideal **resources**, **weather** and **facilities** to get your aerospace or defence project up **off the ground**.



## The sky is the limit

Medicine Hat is uniquely situated to serve as Canada's Aerospace and Defence UAS and RPAS testbed – offering several restricted airspace options, advanced defense research facilities, favorable year-round flight conditions, and a developing skilled talent pipeline.

Anchored by Medicine Hat Regional Airport (YXH), CFB Suffield and the Foremost BVLOS Test Range, our region offers a combination of attractive development opportunities and world-class infrastructure.

Our ecosystem of growth-oriented businesses, community and regional partners, and training institutions are working to shape Canada's next era of aviation, aerospace, RPAS and UAV

technology, and defense innovation. Are you ready to join our growing Aerospace and Defence industry?

Opportunity is calling in Medicine Hat – are you ready to answer the call? Reach out to Medicine Hat Economic Development to learn how you can find your next opportunity to invest, build, and thrive here.



Read our recent **BREIS Report** on Aerospace and Defence

[medicinehat.ca/BREIS](https://medicinehat.ca/BREIS)

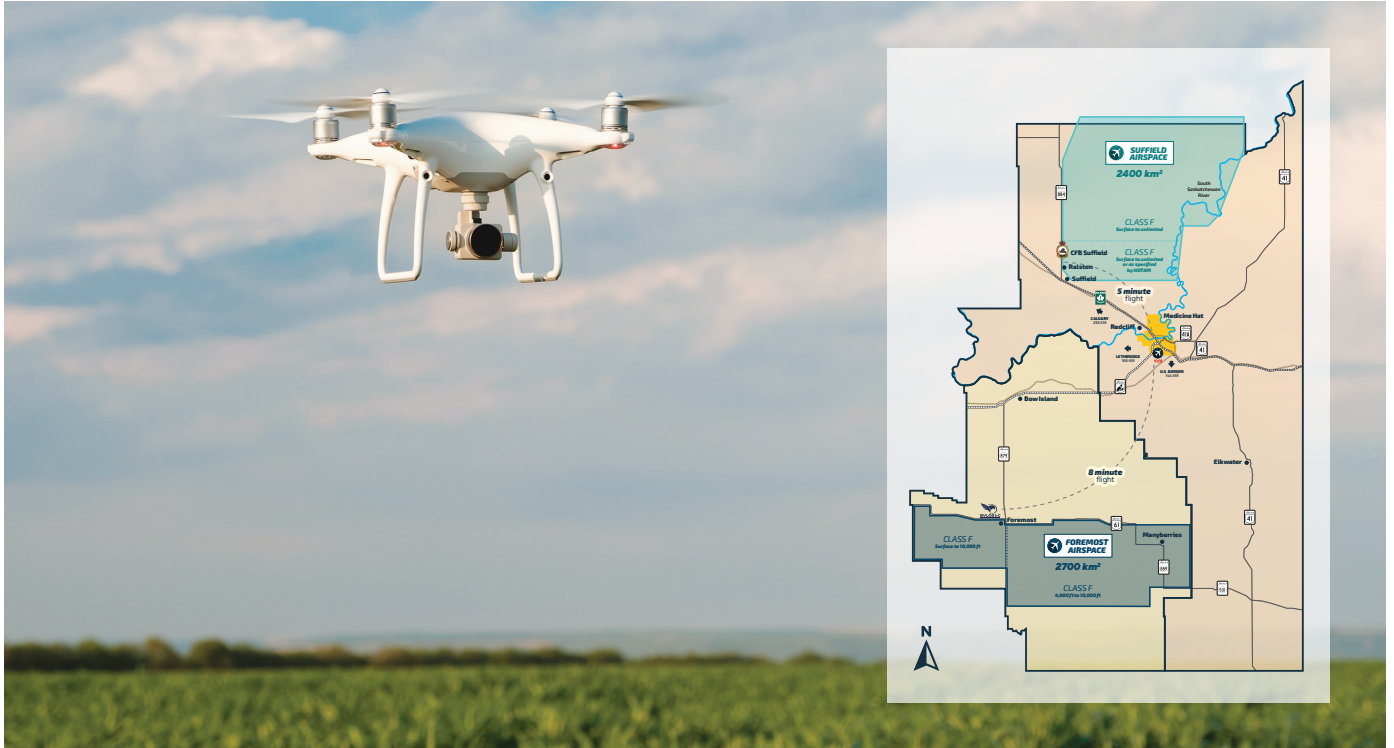


## Quick Facts

- **~68,000**  
residents within the city and still growing
- **10%+**  
lower operational costs vs other major Albertan cities<sup>1</sup>
- **5,100**  
km<sup>2</sup> of class F restricted airspace nearby
- **330+**  
days of sunshine annually offers ideal test conditions
- **LOCAL**  
labour development pipeline

<sup>1</sup> see final page for references

# GLOBAL MARKET CONDITIONS



**The aerospace and defense industry is one of the world’s most technologically intensive sectors, driving massive investment and growth.** Globally, commercial aviation demand is rebounding sharply from 2020 lows, with passenger volumes projected to double within the next 20 years.<sup>2</sup> Meanwhile, governments all over the world are modernizing fleets, investing in RPAS and CUAS technology, and strengthening their domestic supply chains.

Beyond the widespread impact of modernization, many countries are increasing their investments into aerospace and defense in response to the current geopolitical climate. Canada, among other NATO allies,

revealed a historic commitment to spend 5% of its GDP on defence spending by 2035 at the 2025 NATO Summit.<sup>3</sup>

**Known as the Drone City,** Medicine Hat is uniquely positioned in the Canadian market to take advantage of the global push towards UAV and RPAS aerospace and defence technologies.

**200%**

expected increase in global air passenger volume by 2045

**TOP 2**

growth sectors are sustainable aviation and uncrewed air vehicles<sup>4</sup>

**~\$1.83T**

global aerospace and defence market value in 2025<sup>5</sup>

**~\$2.55T**

estimated worldwide aerospace and defence market values<sup>6</sup>

## CANADIAN MARKET CONDITIONS



Previously an export focused industry at 90%+ in 2024, Canada's Aerospace and Defence industry is preparing for a resurgence in domestic investments as Canada's federal government increases its defence spending over the next 10 years while identifying the need to reduce its dependence on U.S. defence firms as a strategic imperative.<sup>7</sup>

Heavy investments and development efforts from Canadian firms reaffirm the government's domestic focus. In 2024, the industry maintained its long-standing no. 1 spot in R&D spending – a record setting \$1.2B – among Canadian manufacturers despite strong investments from other industries, signaling a continued focus on innovation and product development.<sup>8</sup>

From a federal funding perspective, the Aerospace and Defence industry remain a key industry in Canada. Countless federal funding initiatives currently help finance the further development of the industry. Examples include programs and incentives set up to stimulate growth and development such as KIC and ITB policies, programs such as the IDEaS, NSERC and Innovative Solutions Canada, in addition to contracts from the Canadian Department of National Defence.

## ALBERTA MARKET CONDITIONS



Alberta is home to more than 500 aerospace and aviation companies, employing approximately 16,000 people across the province. Medicine Hat's location within this network provides direct access to a strong supply chain and experienced talent base.<sup>9</sup>

Recent provincial initiatives, including funding through programs such as PrairiesCan and Alberta Innovates, are strengthening aerospace capacity across Alberta. This includes investment in RPAS testing infrastructure, workforce development, and advanced aviation research.

## Quick Facts

**\$1.2B**

#1 industry in Research and Development among all manufacturing<sup>10</sup>

**\$18B**

in 2024 industry revenue for Canada

**50-75%**

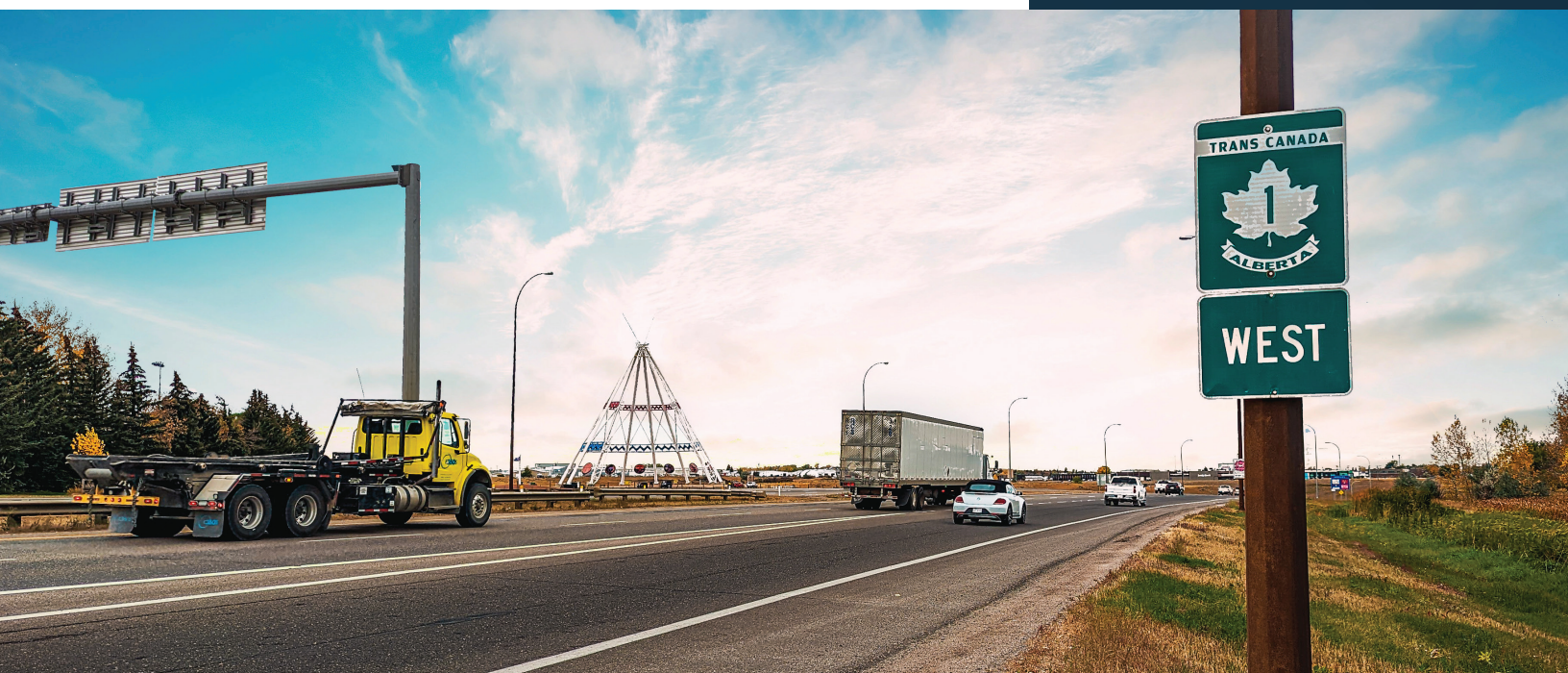
of industry revenue from exports in Alberta and Canada

**1 in 4**

UAV, geospatial data collection & analysis, & navigation & GPS firms are headquartered in Alberta<sup>11</sup>

**6,000**

Albertans employed in aerospace and defence in 2024<sup>12</sup>



# MEDICINE HAT

## THE CORNER OF OPPORTUNITY

Canada's leading RPAS and UAV manufacturer - producing more drones per year than any other region in the country

**Medicine Hat, Alberta, is quickly becoming one of Canada's most strategic locations** for aerospace, aviation, and defense growth.

With a population of nearly 70,000 and situated in the heart of Western Canada's energy corridor, the city offers an exceptional blend of location, infrastructure, and innovation assets that make it uniquely competitive in the global aerospace market.

The region is anchored by Canadian Forces Base (CFB) Suffield and Defence Research and Development Canada (DRDC) - one of the most advanced defense research facilities in North America. It is complemented by the Foremost UAS Test Range, Canada's

first Transport Canada-approved range for beyond-visual-line-of-sight (BVLOS) drone testing.

This powerful combination creates a living laboratory for the aerospace and defense sector, where new technologies can be researched, tested, validated, and commercialized under real-world conditions.

Medicine Hat's airport, training institutions, local SMEs, and partnerships with global primes create a diverse ecosystem capable of supporting the entire aerospace and defense value chain - from education and skills training, to simulation and RPAS testing, to sustainment and advanced manufacturing.



# REGIONAL AEROSPACE ASSETS

The **best location** in Canada to **build, test and fly** UAVs

Strategically located between two world-class research and development institutions with expansive restricted airspace, Medicine Hat offers a uniquely advantaged environment for aerospace and defence innovation. Proximity to CFB Suffield and the Foremost UAS Test Range - combined with rural surroundings, 330+ days of sunshine, and access to Class F airspace - positions Medicine Hat as one of Canada's premier locations for aerospace research, development, and testing.

## Largest Military Training Ground in Canada

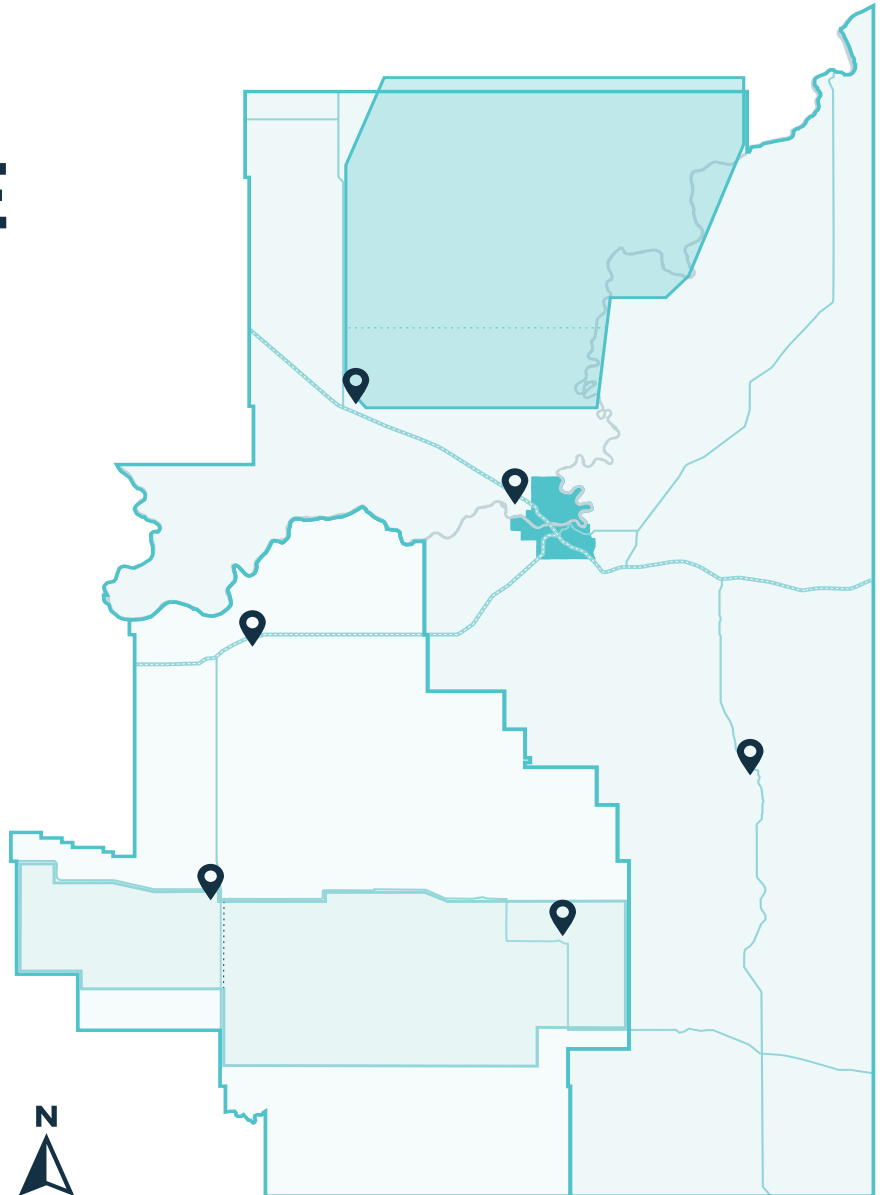
Approximately 50 kilometres north of Medicine Hat, CFB Suffield is accessible from YXH in under five minutes by air. As Canada's largest military training facility, CFB Suffield enables UAV and RPAS testing from surface to unlimited altitude within a highly controlled environment. The base oversees 2,700 square kilometres of Class F restricted airspace, making it the largest live-fire testing area in the British Commonwealth. Its advanced infrastructure and deep technical expertise make CFB Suffield an ideal partner for next-generation RPAS development.

## Exclusive RPAS and UAV Test Range

Located 100 kilometres southwest of Medicine Hat, the Foremost UAS Test Range is the only Transport Canada-designated BVLOS restricted airspace in the country. Just a 10-minute flight from YXH, the range offers 2,400 square kilometres of controlled airspace purpose-built for beyond visual line of sight operations, providing companies with a nationally unique environment for UAV R&D.

## Medicine Hat - Known as The Drone City

With an aerospace and defence legacy spanning more than a century, and a growing industry cluster anchored by companies such as QinetiQ and UVAD, Medicine Hat has earned a national reputation as "The Drone City." Today, it produces more drones than any other location in Canada, reinforcing its role as a leading hub for unmanned systems innovation.

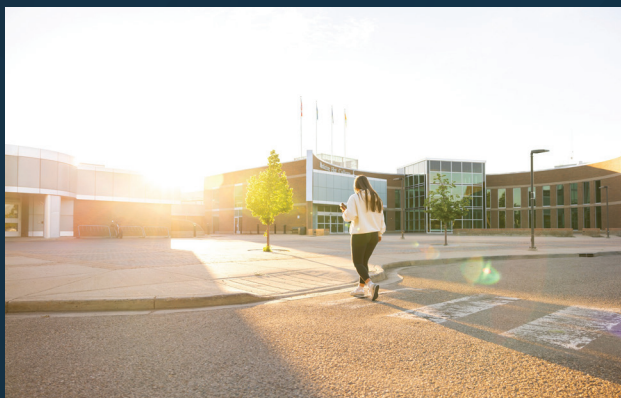


# Workforce DEVELOPMENT

## AND EDUCATION

### Full training pipeline from high school to commercial.

**Local investments in training programs and facilities ensures that Medicine Hat is well-positioned** to develop and support a thriving workforce equipped to support the aerospace and defence industry. From high school flight academies to advanced simulation SMEs, Medicine Hat is building Canada's most complete aviation training pipeline. South Alberta Flight Academy offers a high school program where students can earn a high school diploma as well as earn a pilot's license or complete an introduction to Aircraft Maintenance Engineering (AME) via Super T Aviation.

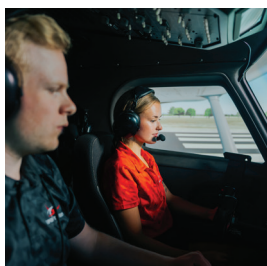


With a growing campus of almost 2,500 students, and has over 40 certificates, diploma, degree, trades, and university studies programs - and their innovation center C4i - Medicine Hat College plays an essential role in the region's research and workforce development pipelines. On the aviation side, MHC is one of several local providers offering micro-credential RPAS training and pathways to advanced aviation careers.

Medicine Hat College's educational offering includes an Aviation Management Certificate program. Students can earn their Aviation Management certificate while simultaneously taking ground school and flight training through partner organization Super T Aviation.

**Super T:** Through South Alberta Flight Academy, for example, local students can finish their high school diploma while earning a pilot's license or having completed an introduction to Aircraft Maintenance Engineering (AME) via Super T Aviation.

Super T Aviation also offers training for commercial pilots and is involved in a Transport Canada initiative to test out the role of mixed reality simulators as part of the accreditation and certification process for pilots.



## Our innovative high school training program saw 4,700 flights in 2025

The partnership between Prairie Rose School Division, Super T, and South Alberta Flight Academy offers 50+ students annually a pathway to a career in the aviation industry for ~50% less.<sup>15</sup>

## ● QinetiQ

Develops advanced target systems and provides training for the U.S. Navy locally

## ● UVAD

Develops and commercializes electric fixed-wing UAVs mainly for geophysical surveying

## ● LandingZones

Specializing in uncrewed vehicle systems, AI-driven technologies, and sustainable aviation solutions

## ● SuperT Aviation

Flight and pilot training, as well as charter service locally since 1965

## ● Amtech

Engineering consultant experienced in aeronautical systems, defence systems, and niche product R&D

## Funding Opportunities

There are **numerous opportunities for aerospace and defence companies** to obtain grants, exemptions, and funding from the local, provincial and federal government.

**CFCB Suffield, for example,** recently received budgetary approval to begin planning for a **\$752 million project to modernize its chemical and biological research laboratory** complex. Landing Zones, on the other hand, received an investment worth over \$1.16 million to develop A.I. for RPAS technologies via the Regional Artificial Intelligence Initiative and PrairiesCan.

# OPPORTUNITIES

## AND INDUSTRY PARTNERS

**Local aerospace and defence companies** are part of a growing industry cluster strategically positioned between Canadian Forces Base Suffield DRDC and Canada's first beyond-line-of-sight UAV range in Foremost. This enables rapid research, design, and testing of aerospace and defence equipment, particularly UAVs and RPASs.

Local high growth industry opportunities include:

- BVLOS testing, validation, and Transport Canada certification at the nearby Foremost Test Range.
- Partnerships on UAV and RPAS research, design, software, testing, integration, and commercialization.
- RPAS R&D collaboration with the DRDC for innovative defense applications.
- CUAS prototyping and testing at DRDC Suffield's controlled live-fire and/or chemical environments.
- Partnerships to supply sensors, radar, and intercept technologies.
- Innovations to aircraft training and aircraft protocols and equipment with local virtual, augmented and mixed reality initiatives.





# Here's how to find your next big opportunity

Medicine Hat offers a combination of affordability, growth capacity, and quality of life that is increasingly difficult to find in mid-sized - or larger - Canadian cities.

Our competitive low-cost environment, streamlined municipal processes, and reliable access to land, utilities, and transportation create strong conditions for business growth and long-term investment. These advantages are supported by a steady pipeline of skilled and adaptable workers at lower labour and operating costs, with educational and training programs perfectly aligned to employer current and future needs.

For residents, Medicine Hat delivers a high standard of living without the congestion or cost pressures of major

metropolitan centres. Housing remains attainable, commute times are minimal, and access to recreation, education, and career opportunities is built into daily life.

Taken all together, these factors ensure that Medicine Hat is – and will remain – a place where businesses can scale efficiently and people build (and live) sustainable, rewarding lives. No wonder nine out of ten residents say they would recommend moving to Medicine Hat.<sup>17</sup>

**Are you ready to find out for yourself and take the next steps?**

Connect with us today by visiting us online or calling us at (403) 977-0146 for more information.



## HERE ARE YOUR NEXT STEPS:

### 1. Research

Discover how and why you and/or your business will thrive in Medicine Hat

### 2. Reach Out

Talk to one of our Economic Development Officers for guidance on starting or expanding a business

### 3. Realize

Turn opportunity into action. Establish, grow, and succeed in a community designed to support long-term success.



Medicine Hat -  
serving as a regional  
economic hub and  
a thriving drone,  
UAV, and RPAS  
development hub  
serving all of Alberta  
and Canada

# MEDICINE HAT

## ECONOMIC DEVELOPMENT

Medicine Hat Economic Development (MHED) helps new, expanding and relocating businesses access markets and business resources in the vibrant and dynamic city of Medicine Hat, Alberta, Canada.



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