

"It's no secret that automotive manufacturers are constantly on the lookout for value-added suppliers. They often find them in Canada, because Canada offers the kind of cost-effective infrastructure that helps innovative technology-based companies maximize their potential."

Mike van Gendt,
President,
Omron Dualtec Automotive
Electronics Inc.

enthusiasm is illustrated by a General Motors of Canada announcement in 2007 that its truck assembly plant in Oshawa will be the first plant in Canada to produce hybrid vehicles, with the new Two-Mode Hybrid Chevrolet Silverado and GMC Sierra scheduled to start rolling off the production line in fall 2008.¹³ Another significant example is the 1.1 billion investment by Toyota in Woodstock, Ontario. Toyota's new plant will produce 150,000 RAV4 sport utility vehicles annually.

R&D opportunities

Canada is a world leader in expanding its capacity for automotive R&D. In addition to having core competencies in industries serving the automotive sector such as metal processing, materials engineering, design and visualization, chemicals, and plastics, Canada's automotive R&D is fueled by innovative infrastructure arrangements, including private-public R&D partnerships. These include the Canadian Lightweight Materials Research Initiative, the Centre for Automotive Materials and Manufacturing, the Transportation Development Centre, AUTO21 Network of Centres of Excellence, and the Waterloo Centre for Automotive Research (WATCAR).

In the 2008 federal budget, the Government of Canada announced new incentives to stimulate further R&D in the auto industry. This included a \$250-million Automotive Innovation Fund to support strategic, large-scale research and development projects in the automotive sector to develop innovative, greener and more fuel-efficient vehicles.

HONDA'S GATEWAY TO NORTH AMERICA



James H. Miller,
Executive Vice President,
Honda Canada Inc.

The opportunity to establish a gateway into the North American auto market encouraged Japanese automaker Honda to establish a manufacturing plant in Alliston, Ontario, in 1986. Efficiencies at the company were so great that in 1998 it built a second plant at the same location, and in 2006 Honda announced that it was investing \$154 million in a new engine plant at Alliston that would produce 200,000 units per year. As of 2007, Honda's total investment in Canada is over \$2.6 billion with a total production of over 4.5 million units. "The engine plant allows us to be more self reliant while at the same time respecting the environment," says Jim Miller, Executive Vice President of Honda Canada. More recently the company announced plans to build a head office campus in Markham, Ontario, a strategic location allowing timely access to the entire North American market.

"The new space allows for greater economic and operational efficiencies, while expanding our economic contribution to Canada," says James Miller, "Honda considered many options and decided on a municipality that complemented our business philosophy—speed to market, focus on customer service and driven by innovative solutions."

Honda operations currently employ approximately 21,000 people in Canada.