

PRODUCTION AND EMPLOYMENT

Some industry analysts forecast that shipments from North American companies in Canada and the United States will decline from 76 per cent of total demand in 1984 to approximately 55 per cent of estimated total demand in 1988. All forecasts are that there will be a decline in production and employment among the North American producers.

Based on the preceding market projections there will be considerable excess capacity in automobile production by 1988. Overall shipments from North American automobile producers are also expected to decline which will result in over-capacity and employment losses. Shipments from North American producers are expected to decline by 15 per cent from 8.4 million units in 1984 to 7.1 million units in 1988 resulting in a net excess capacity of about 1.3 million units. Most of the loss in sales by the North American industry is expected to occur in the small car segment which is principally located in the United States.

The United States Department of Commerce estimates (Table 4) that total North American automobile production capacity will approach 11.5 million units by 1990. Of this total Canada would have a production capacity of approximately 1.2 million units.