

Automotive

Canada's extensive expertise in all parts of the automotive value chain has made it the world's third-largest exporter and ninth-largest producer of automotive products.

Canada has a proven track record of success in the automotive industry, a track record that makes it an ideal investment location for international automakers and parts manufacturers. Canada offers investors a deep pool of highly skilled workers in the automotive sector and unique R&D opportunities and programs.

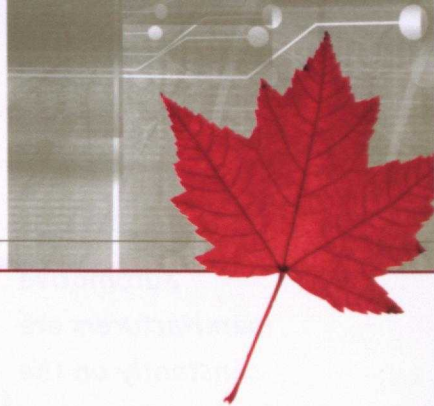
Canada is the world's third-largest exporter of automotive products after Japan and the United States

With shipments valued at \$99.9 billion in 2006, the Canadian automotive industry is a crucial component of the Canadian economy.⁹ Canada's auto sector accounts for 12 percent of manufacturing GDP and directly employed 158,300 people in 2006.¹⁰ Canada is the world's ninth-largest manufacturer of motor vehicles, producing no fewer than 2.6 million passenger and commercial vehicles annually, a figure that represented 16 percent of total NAFTA production.¹¹

Canada is home to six global automakers—Chrysler, Ford, General Motors, Honda, Suzuki, and Toyota. These manufacturers operate 12 high-volume assembly plants producing cars, minivans and light trucks (a 13th plant is set to open in the fall of 2008) with 83 percent of Canadian-built vehicles exported, primarily to the United States. There are also 25 relatively low-volume assembly plants producing heavy-duty chassis and vehicles.

Quality and productivity are the hallmarks of success, and Canada's automotive industry consistently delivers in both categories. Although Canadian assembly plants account for just one-sixth of total motor vehicle production in North America, they took home more than one-third of all J.D. Power plant-quality awards. The *2007 Harbour Report* concluded that Canadian assembly workers are 7.9 percent more productive than their U.S. counterparts, and 82.2 percent more productive than workers based in Mexico. Small wonder that Canada operates the first, second, and fourth most-productive assembly plants in North America.

This reputation for quality, efficiency, and productivity is reflected in the consistent enthusiasm investors have for Canada's automotive industry, which has attracted \$3.5 billion in annual capital investment for the past decade.¹² A recent example of this



⁹ Industry Canada. *Cars on the Brain: The Canadian Automotive Sector*. September 2006. p. 3

¹⁰ *Ibid.* p. 3

¹¹ *Ibid.* p. 3

¹² *Ibid.* p. 3