

Table 5.3 How useful to you find the following policy initiatives?

"Industry observers have suggested policies that the government could take to facilitate or enhance the growth of the Canadian auto industry. Several of those proposals are listed below. From the perspective of your firm, please rate the usefulness of these government policy proposals from 1 to 7 based on the following scale:"

		Fraction of positive ratings		
POLICY INITIATIVES:		5	6-7	5-7
1.	Increase funding and/or tax incentives for R&D and innovation	7.1	78.6	85.7
2.	Increase incentives to domestic investors	14.3	71.4	85.7
3.	Expedite transportation infrastructure upgrades	7.1	71.4	78.5
4.	Increase incentives to foreign investors	21.4	57.1	78.6
5.	Increase funding for Technology Partnerships type programs	28.6	42.9	71.4
6.	Implement electronic border clearing system compatible with US Customs	14.3	50.0	64.3
7.	Remove tax and other barriers that slow domestic industry consolidation	14.3	50.0	64.3
8.	Change tax law to permit more rapid depreciation of new equipment	16.7	41.7	58.3
9.	Assistance for implementing productivity-enhancing equipment/systems	33.3	25.0	58.3
10.	Renew emphasis on government-industry partnerships and task forces	21.4	35.7	57.1
11.	Increase funding for auto-sector related technical education	21.4	35.7	57.1
12.	Provision of capital to facilitate new international joint ventures	14.3	42.5	56.8
13.	Increase incentives to firms using alternative energy	21.4	21.4	42.9
14.	Government-led marketing/branding initiatives focusing on the auto sector	28.6	14.3	42.9
15.	Make the use of anti-dumping/countervail legislation easier	16.7	25.0	41.7
16.	Facilitation of Canadian auto sector in rapidly growing markets	8.3	25.0	33.3
17.	Increase tax credits for firms that implement retraining/'reskilling' programs	0.0	21.4	21.4
18.	Reduce immigration restrictions on young, technologically skilled workers	0.0	21.4	21.4
19.	Rescind Canadian ratification of the Kyoto Protocol	0.0	15.4	15.4

Notes: scale of usefulness: 1 = extremely low, 4 = moderate, 7 = extremely high

84 respondents

Source: "The East Asian Automobile Industry: Opportunity or Threat? Results of a Survey of the Canadian Auto Parts Manufacturers," Canada in Asia report, January 2005

It is clearly noticeable that R&D support and investment incentives figure high on the list. These issues get almost universal approval—86% of firms support such initiatives and almost 80% of firms strongly support R&D support. On the other hand, a number of issues that have received prominent attention in the media, do not carry much industry support. For example, Canada's ratification of the Kyoto emission abatement agreement is not perceived as much of a problem. Providing support for tech-