

As the industry adjusts to the so-called world car and begins to look at exports, it is finding that many of its plants are internationally non-competitive. As a result, the industry is being encouraged to restructure. It is the introduction of the world car, coupled with the export facilitation scheme, that will provide opportunities for increased Canadian exports of parts. In the case of OEM parts, contact should be made with the home offices of the Australian car companies and, if opportunities are identified, the Australian subsidiaries should be visited. For the aftermarket, opportunities exist for fifth wheels, light trailer axles, and accessories such as mirrors, lights, trim, mudflaps, etc.; exhaust emission parts such as PCV and EGR valves; fuel and air filters; McPherson struts; brake pads and shoes; friction materials for brakes and clutches; clamps; sealed beams; electrical switches; gauges; exhaust components (mufflers, clamps, etc.); sparkplugs; tires; wipers; batteries; truck suspension (tandem); fuses; trailer lights and mirrors.

b) The Canadian Industry

The automotive industry in Canada consists of vehicle manufacturers, original equipment parts manufacturers and aftermarket parts manufacturers. There is some overlap between those groups, with vehicle manufacturers producing parts in-house, and certain parts manufacturers producing for both the OEM and AM.

Approximately 50 per cent of automotive parts production is in-house, while about 20 per cent is supplied by subsidiaries of eight large multinational corporations (Borg Warner, TRW, Budd, Kelsey-Hayes, Eaton, Rockwell, Bendix and Hayes Dana). The remaining 30 per cent is produced by several hundred small - often Canadian-owned - corporations. Canadian parts production in 1979 exceeded six billion dollars, of which 80 per cent was exported, largely to the U.S. Production of aftermarket parts alone was about \$670 million. While the industry has traditionally produced parts for the North American market, its orientation has changed over the last few years, and OEM parts are now being marketed in limited quantities in Japan and Europe. Some companies with proprietary products have been successful in selling to offshore manufacturers - Tridon (wipers), Duplate (windshield glass) and Varta (batteries) being notable examples. A growing number of companies are developing proprietary products or processes that will help them compete internationally. Parts companies supplying the aftermarket have found that they, in particular, must export or die. They have developed unique products that