

## CANADIAN INDUSTRY VIEWS

### Parts Producers

The Automotive Parts Manufacturing Association (APMA) has claimed over the years that the parts sector has not fared well under the Automotive Agreement. The APMA has argued that the "fair share" commitments under the Agreement have not worked equally to the benefit of all segments of the industry. As evidence the APMA has claimed that Canada's trade balance with the United States in original equipment parts has risen every year. In 1984 the parts imbalance under the Arrangement was \$5.1 billion although Canada had an almost \$6 billion favourable balance in automotive trade with the United States. Simon Reisman in his Inquiry into the Automotive Industry<sup>12</sup> concluded that "the figures indicate clearly that the growth in Canadian value added from the production of parts for incorporation in Canadian-made vehicles and for export has far exceeded the increase in CVA contributed by vehicle assembly". A very substantial portion of original equipment parts imported into Canada are assembled into vehicles which are shipped to the United States. Reisman concluded "in no sense can these components be said to have been consumed in Canada."

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<sup>12</sup> The Canadian Automotive Industry Performance and Proposals for Progress, Commission on the Automotive Industry SS Reisman October 1978, p. 83.