

# ONTARIO'S AUTO INDUSTRY



DRIVING THE **FUTURE**

## CARS AND TRUCKS ARE **BIG** BUSINESS IN ONTARIO

### Our auto industry:

- produces more light vehicles than any other North American jurisdiction—close to 2.5 million in 2006
- manufactures one in six vehicles built in North America
- exports 85% of all vehicles to the U.S. and countries around the world.

### North America's Top Vehicle Manufacturing Jurisdictions

	State/Province	2006 Light Vehicle Production
1	Ontario	2,497,367
2	Michigan	2,227,251
3	Ohio	1,669,741
4	Kentucky	1,031,235
5	Missouri	984,353
6	Tennessee	699,352
7	Alabama	698,086
8	Indiana	657,535
9	Illinois	470,252
10	California	428,633

Source: Ward's AutoInfoBank, February 9, 2007

### Wealth of Resources Fuels our Success

Our industry is concentrated along a 260-mile corridor that stretches from Windsor to Oshawa. It's home to 14 assembly plants operated by six of the world's top auto makers, more than 450 innovative parts manufacturers and 125,000 highly skilled and productive workers.

It draws on 44 respected universities and colleges and more than 24 public research centres focused on commercializing next-generation automotive innovations.

There's also plenty of available serviced land and an efficient transportation system that's constantly being upgraded.

### People Powered

43% of our auto manufacturing employees have completed their post-secondary education versus 27% in the U.S.

Industry-focused education produces a steady supply of workers from brilliant Ph.Ds in mechanical and materials engineering to efficient line assemblers to skilled tool and die makers.

Ontario auto workers have helped capture 18 of the 54 J.D. Power and Associates awards for North and South American plant quality including Silver in 2007.

### Driving Innovation

Ontario's auto industry is a leader in materials and manufacturing, powertrain components and systems, fuel and emission control systems, design processes, intelligent systems and sensors, photonics and intelligent highway systems.

Ontario has one of the most generous R&D tax credit programs in the world:

- the after-tax cost of a \$100 R&D expenditure may be less than \$41
- R&D deductions can be carried forward indefinitely
- more costs qualify for R&D tax credits in Ontario.

### High quality R&D for less



Source: Warda, Jacek, Rating Canada's R&D Tax Treatment, A 2006 Update.



## Unparalleled Market Access

NAFTA (the North American Free Trade Agreement) gives Ontario based auto manufacturers duty-free access to a market that is huge (420 million people) and affluent (more than \$15 trillion GDP).

Our transportation infrastructure is extensive, sophisticated and integrated with the U.S. It provides efficient access to Europe and Asia too.

## Positive Investment Climate

In their forecast of the global business environment through to 2009, the Economist Intelligence Unit (EIU) ranked Canada as one of the best countries in the world to do business, thanks to our openness for foreign trade and capital, high-quality infrastructure and opportunities within the North American marketplace.

Our \$500 million Advanced Manufacturing Investment Strategy provides interest free loans for up to five years to help manufacturers develop leading edge technologies and processes.

Our regulatory systems are streamlined, with business start-ups requiring just two steps, compared to as many as 20 in other industrialized countries. International companies opening a new office or already doing business in Ontario can take advantage of Canada's intra-company transfer work permit, which allows them to send key staff to their Ontario branch.

## Exceptional quality of life

Canada has the best overall quality of life among the G7 countries—and the lowest cost of living.

We're a multicultural society that welcomes people from around the world, so no matter where you come from, you'll find a community in which you'll feel at home.

We have a first-class education system and an excellent, publicly funded health care system; which according to a recent study by the medical journal Open Medicine provides health care that's as good as, if not better than privately funded care.

All figures are in Canadian dollars unless otherwise noted.



## Look at who's investing in Ontario

**Chrysler Group** is investing a total of \$2 billion in its Ontario facilities, including \$1.4 billion for its Brampton, Ontario assembly plant which will produce the next generation of the Chrysler 300 series, Dodge Charger and Dodge Challenger. Why was Brampton chosen to be the future home of the company's full size platform? Chrysler says it was because the facility met safety, quality, delivery and cost requirements.

**Toyota Boshoku Canada** says it couldn't have found a better place to do business than Woodstock, Ontario. The company is building its first Canadian facility, a \$87.3 million, 270,000 square foot plant, that will manufacture interior products including front and rear seats and interior door trim.

**HBPO** was considering expansion even as it opened its first Canadian facility in Windsor, Ontario in June 2007. The French/German company which specializes in integrated front-end modules, also intends to extend its North American R&D activities to Windsor and export its machine, tool, mould and plastics expertise worldwide.

## We can help

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