

CANADA: INTEGRAL TO THE SUCCESS OF THE U.S. AUTOMOTIVE INDUSTRY

The Canadian and U.S. automotive industries are highly integrated and highly reliant on each other for the supply of finished vehicles and component parts. This integration began in 1965 with the Canada–United States Automotive Products Agreement (Auto Pact) and continues today with the recently ratified USMCA.

STRONGER TOGETHER

The Great Lakes cluster, of Michigan, Indiana, Illinois, Ohio and Ontario is the largest automotive manufacturing cluster in North America.

This cluster is successful because of the integrated nature of trade. In 2019, this cluster produced 6.6M vehicles, and is the third largest producer globally.

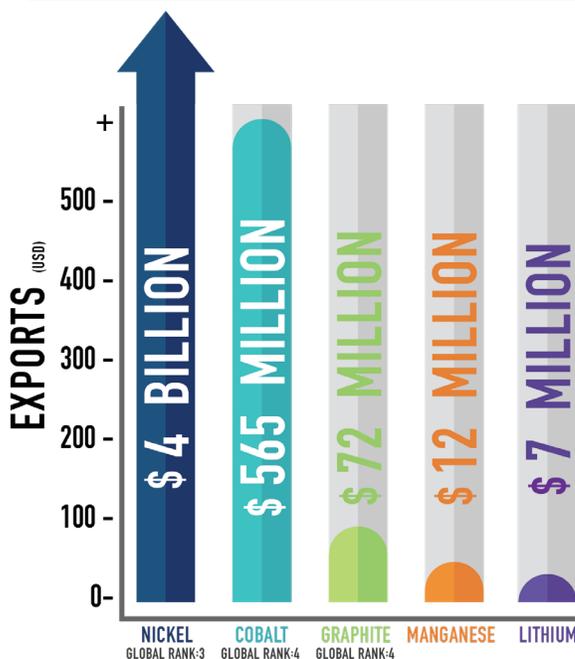
Within this cluster, Ontario supplies \$10.1B in automotive parts. Without Canadian parts, many U.S. plants would be unable to operate as these parts cannot easily be sourced from other suppliers, given their complexity and the capital required to produce them.



CANADA'S PURCHASES FROM THE U.S.	
MICHIGAN	\$14.06 BILLION
INDIANA	\$7.03 BILLION
OHIO	\$5.50 BILLION
KENTUCKY	\$3.47 BILLION
TEXAS	\$2.52 BILLION
TENNESSEE	\$2.37 BILLION
ALABAMA	\$2.35 BILLION
MISSOURI	\$2.05 BILLION
ILLINOIS	\$1.53 BILLION
CALIFORNIA	\$1.23 BILLION
SOUTH CAROLINA	\$1.11 BILLION
MISSISSIPPI	\$1.04 BILLION
OREGON	\$97 MILLION
GEORGIA	\$88 MILLION

*USD

CANADA HAS THE RESOURCES, INNOVATION AND SKILLED WORKFORCE TO SUPPLY THE BATTERIES OF THE FUTURE



GIVEN THE LEVEL OF INTEGRATION, WE HAVE A UNIQUE OPPORTUNITY TO WORK TOGETHER TO BUILD ALL ELEMENTS OF THE SUPPLY CHAIN AND USHER IN A NEW ERA IN ADVANCED AND SUSTAINABLE TRANSPORTATION.

CROSS BORDER SUPPLY CHAINS

Canada is the top automotive export destination for 10 of the 14 U.S. light vehicle producing states.

Canadian cars are U.S. cars. Canadian assembled vehicles, on average, contain 50% U.S. parts and components; as many key components including the engines and transmissions are often manufactured in the U.S.

A complex vehicle part produced in Ontario or Michigan can **cross the border up to six times** before the vehicle rolls off the assembly line. The USMCA, with its increased content and labor value requirements, is expected to lead to more parts production in North America and further integration.

The Canadian and U.S. Government have stood together time and again to ensure the stability of the automotive sector in North America. During the Great Recession in 2008-2009, Canada and the U.S. worked in tandem to rescue the sector as a whole, in turn maintaining high quality jobs and ensuring the sector continues to prosper.

Our **joint work on critical minerals** is an example of continuing that cooperation and is key to meeting our mutual goals: supporting the electrification of the transportation sector, meeting increasing demand for zero-emission vehicles, creating jobs, and ensuring security of the supply chain, from “mines to mobility”. If we do not approach the next generation of automotive production together, it will only benefit offshore competition.