

# The Road Ahead for Canada's Auto Industry

November 26, 2020

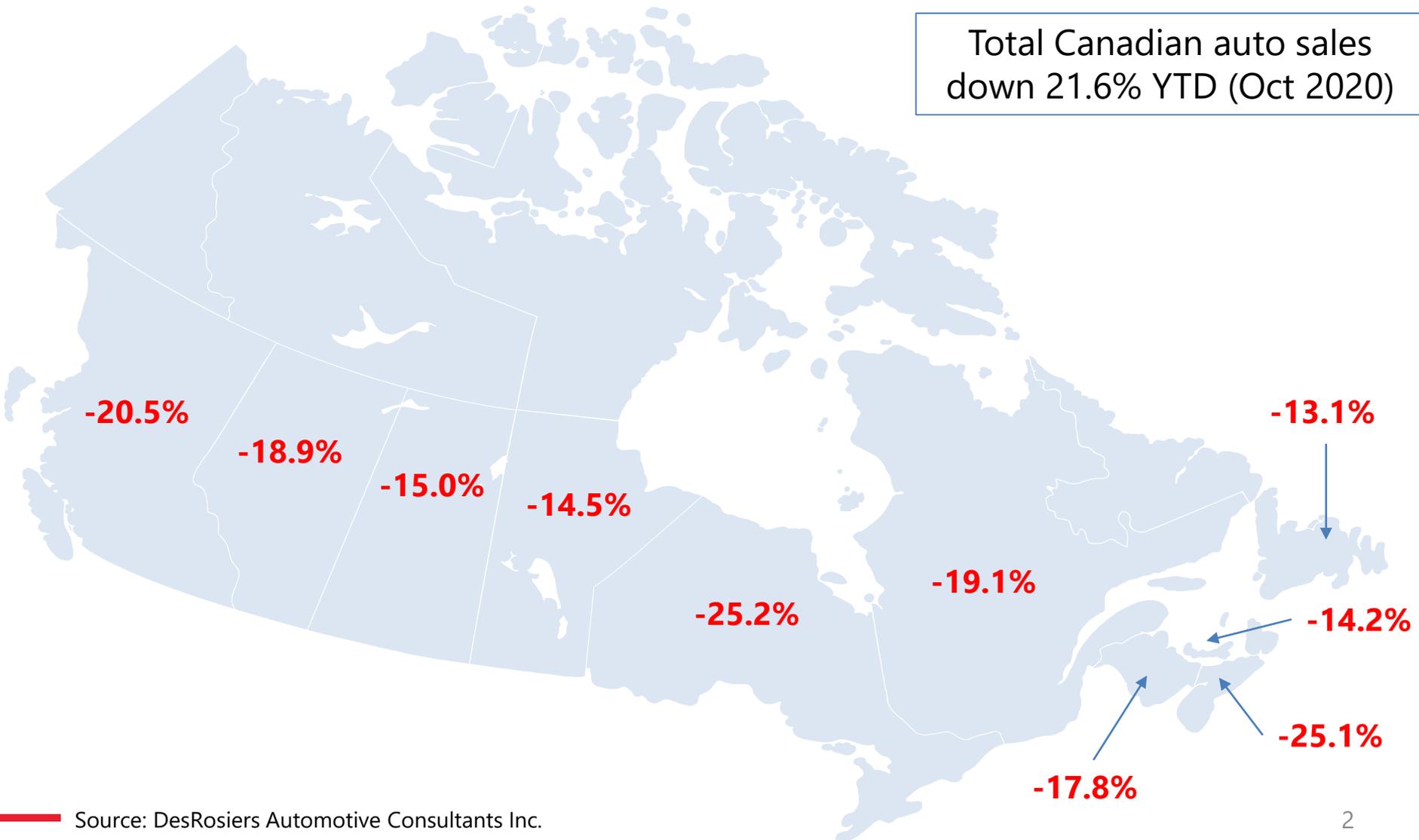
Canadian Vehicle Manufacturers' Association



# COVID-19 sales impact



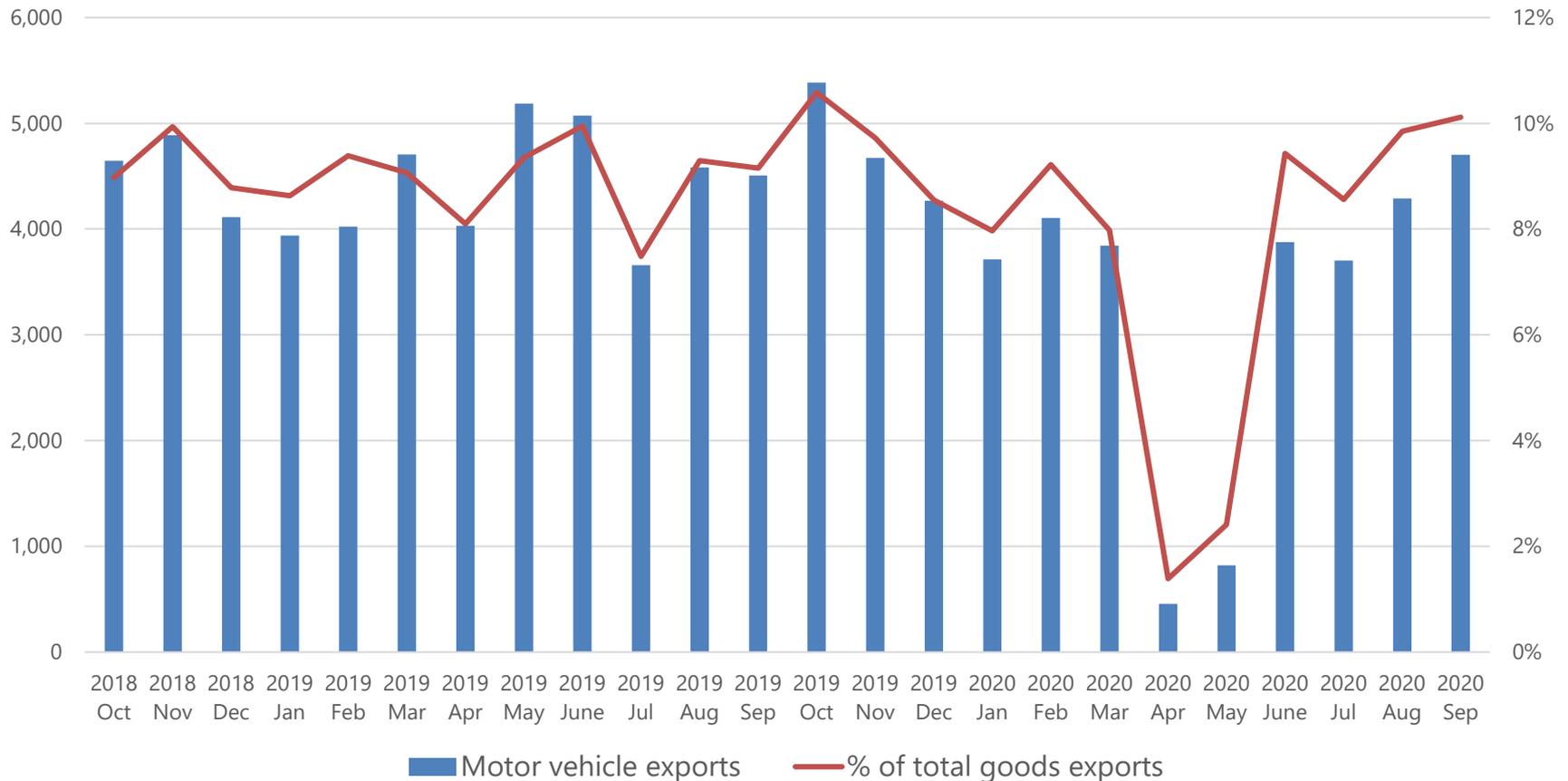
Total Canadian auto sales  
down 21.6% YTD (Oct 2020)



# Driving the recovery



**Canadian Motor Vehicle Exports (past 24 months, millions CAD)**



# The road ahead



## **The auto industry is going through an unprecedented technological transformation focused on autonomous driving, electrification, and connectivity**

- Last year FCA invested €4.2 billion in research and development. To support electrification of the portfolio, FCA is investing over €9 billion in the design, development and production of electrified vehicles.
- Ford is investing more than USD \$11.5 billion in electric vehicles through 2022, including forthcoming zero-emission Mustang Mach-E, Transit Commercial EV and a fully electric F-150. Ford plans to put 40 new electrified vehicles on the road by 2022.
- GM will offer 30 all-electric models globally by mid-decade with forty percent of the company's U.S. entries battery electric vehicles by the end of 2025. Last week GM's increased its financial commitment to EVs and AVs to \$27 billion through 2025 – up from the \$20 billion planned before the onset of the COVID-19 pandemic.

# New investments



## Significant new investments in Canada

- GM recently announced up to \$1.3 billion invested in Oshawa Assembly with the expected hiring of 1,400 to 1,700 hourly workers; \$109 million in St. Catharines to support added engine and transmission production; and \$0.5 million in operations at the Woodstock Parts Distribution Centre. This is in addition to previous investments in R&D including the CTC McLaughlin Advanced Technology Track currently under construction to support advanced software and engineering work being conducted at GM's Canadian Technical Centre campuses.
- FCA announced \$1.58 billion in total investments that will create 2,000 new jobs. The Windsor Assembly Plant is being retooled to produce electrified vehicles including Plug-In Hybrid Electric (PHEV) and Battery Electric (BEV) vehicles. FCA inaugurated a Vehicle Dynamics Simulator (VDS) lab at its Automotive Research and Development Centre (ARDC) in Windsor.
- Ford committed \$1.8 billion to build new battery electric vehicles at the Oakville Assembly Complex starting in 2024 and introduce a new engine program at its Windsor operations. Ford's Connectivity and Innovation Centre's have grown to over 500 positions since opening in March 2017, part of a \$500 million investment in Ford's Canadian R&D operations.

# Positioning for success



## **Municipalities have an important role in ensuring the long-term success of the auto industry**

- **Municipal tax rates** – Auto manufacturers need fair and reasonable property assessments with long-term rate stability to make Ontario competitive.
- **Charging infrastructure** – Boosting EV adoption requires more charging infrastructure to address consumer concerns with a lack of charging options and reduce range anxiety.

# Further Information



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