

Remarks to the Standing Committee on Environment and Sustainable Development

CLEAN TECHNOLOGIES IN CANADA



Canadian Vehicle Manufacturers' Association (CVMA)

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Mr. Chair, Honourable Members, thank you for the invitation to appear today as part of the committee's study of clean technologies in Canada.

The Canadian Vehicle Manufacturers' Association (CVMA) is the industry association representing Canada's leading manufacturers of light and heavy-duty motor vehicles. Membership includes Ford Motor Company of Canada, Limited; General Motors of Canada Company and Stellantis (FCA Canada Inc.).

Canada's automotive industry is responsible for over \$13 billion in annual economic activity, 117,000 direct jobs, and an additional 371,400 jobs in aftermarket services and dealership networks in 2020. The industry is Canada's second-largest export sector with \$36.5 billion in exports in 2021.

The auto industry is one of Canada's leading green technology sectors. Electric vehicles (EVs) and their related infrastructure now account for 40% of energy transition investment in Canada¹.

CVMA members are at the forefront of this energy transition. Over the past two years Ford, General Motors and Stellantis have announced \$13.5 billion in new investment in Canada which will create over 6,000 direct jobs and tens of thousands throughout the auto supply chain. The majority of this new investment is dedicated to EV assembly and the battery supply chain.

We recommend the following actions to realise the full economic benefits of clean technologies in the automotive industry and ensure Canada achieves its climate objectives:

1. **Keep up and keep aligned with the U.S.:** The Inflation Reduction Act is arguably the most significant development for Canada's auto sector since passage of CUSMA. The U.S. is committing more than US\$370 billion to fight climate change, including massive new investments in electric vehicle (EV) manufacturing, sales, and infrastructure. The federal government should move swiftly to identify and react to the competitive gaps in our manufacturing sector that will be exacerbated by the Act. Particular attention should be paid to battery manufacturing where the U.S. now has a significant competitive advantage.
2. **Boost EV adoption:** Canada needs a comprehensive plan to boost EV adoption if we are to achieve our climate goals. According to RBC's assessment of the investments required to achieve net zero by 2050, spending on EVs will need to grow from approximately \$4 billion now to nearly \$22 billion annually. Priority should be on building a comprehensive public charging network, investments in clean, affordable, and reliable electricity generation and grid infrastructure, and

¹ Canada still isn't spending enough on the green economy, RBC, <https://thoughtleadership.rbc.com/proof-point-canada-still-isnt-spending-enough-on-the-green-economy/>

improvements to the consumer purchase incentive program (iZEV) to make EVs affordable for all Canadians.

Thank you for your time and I would be pleased to take any questions.