

# STELLANTIS



2023

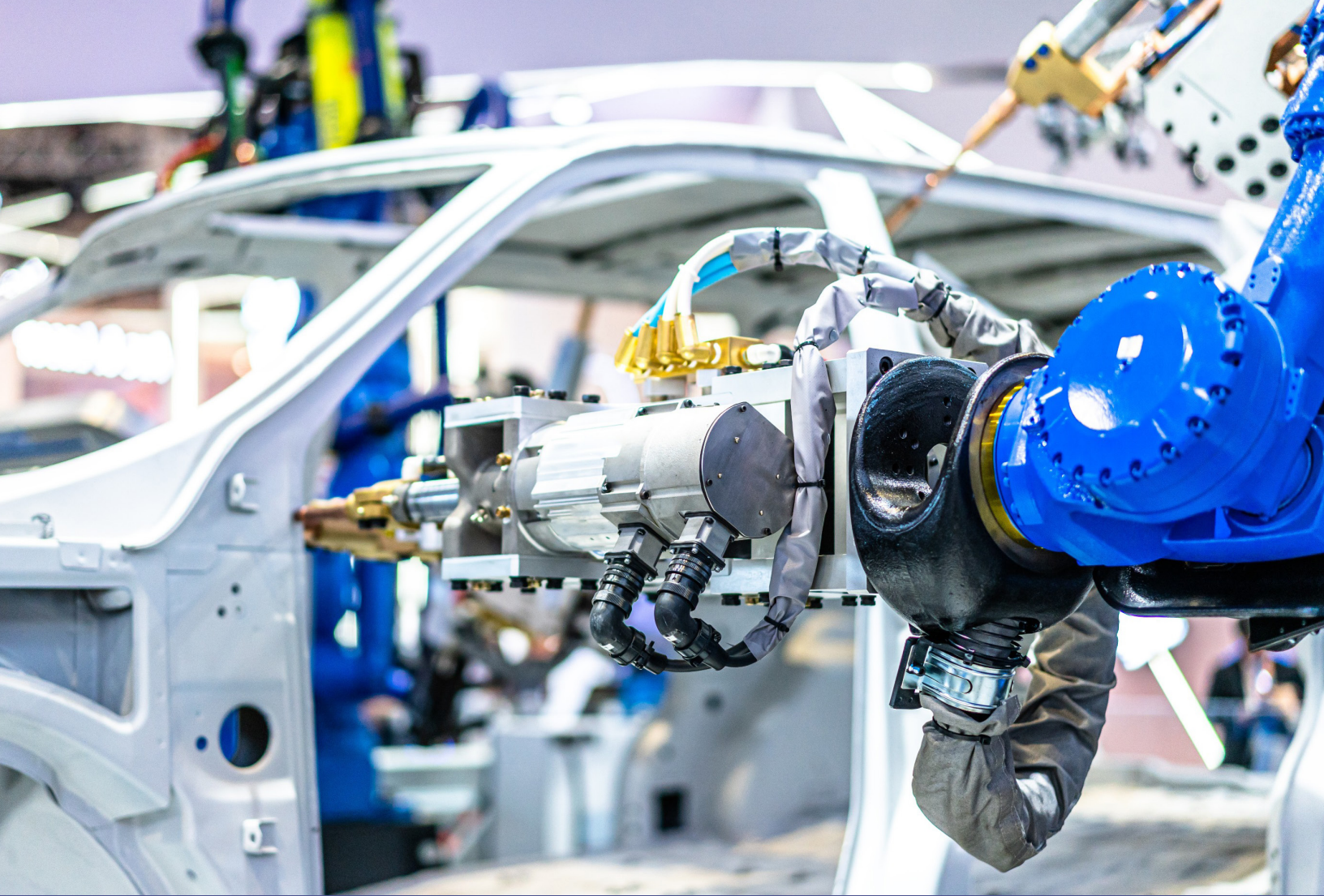
## State of the Canadian Automotive Industry



Canadian Vehicle  
Manufacturers' Association  
Association canadienne  
des constructeurs de véhicules

[www.cvma.ca](http://www.cvma.ca)





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## SUMMARY INFOGRAPHIC - KEY FACTS

### Economic contribution

**\$14 billion to GDP**

The auto industry is one of Canada's largest manufacturing sectors and a major driver of the Canadian economy.

### Trade

**\$38.3 billion in exports**

Motor vehicles are Canada's second-largest export, responsible for 8% of Canada's total goods exports in 2022.

### Employment

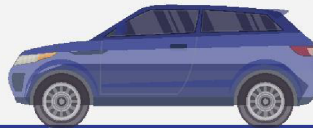
**125,000 direct jobs**

The auto industry directly employs 125,000 Canadians with an additional 371,400 jobs in aftermarket services and dealership networks.

### Investment

**\$14.6 billion in Canada**

Since 2020, Ford, GM, and Stellantis have announced nearly \$15 billion in new investment in Canada, creating more than 6,000 direct jobs and tens of thousands throughout the supply chain.

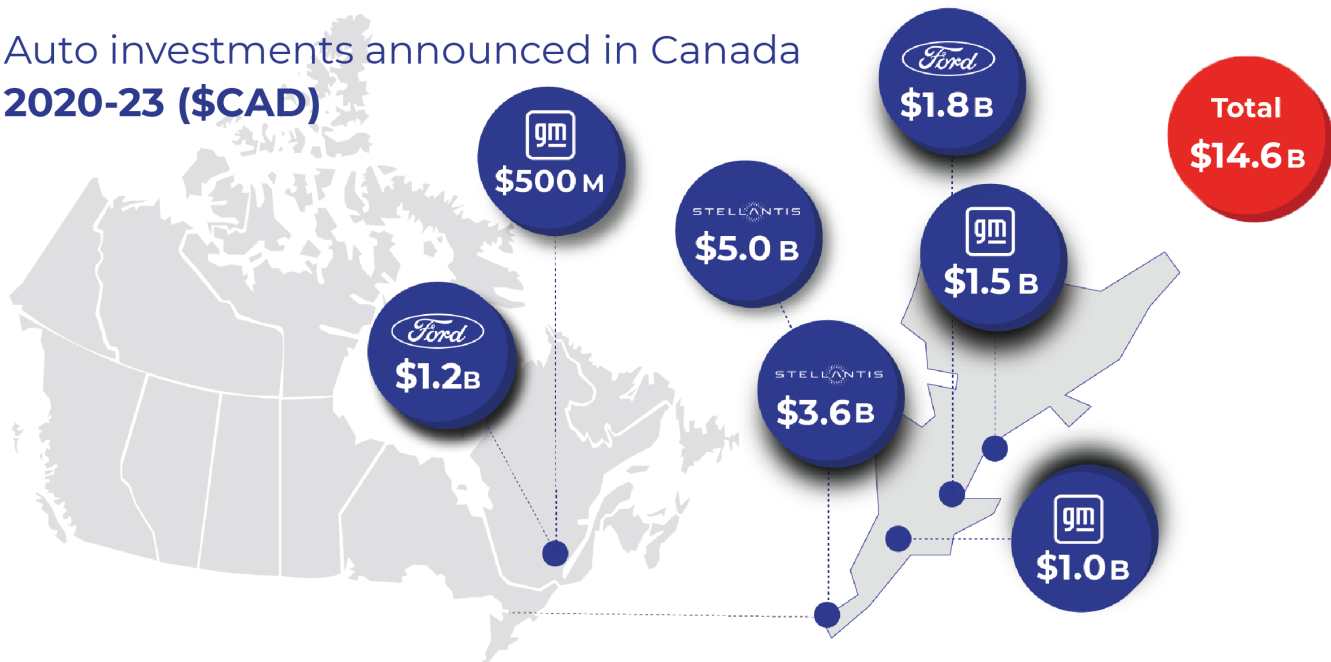


## Innovation

**50 electric vehicle models**

Billions are being invested into electrification, connectivity and autonomous technologies. Ford, GM, and Stellantis are bringing 50 new electric vehicle models to market over the next few years, including in the popular SUV and pickup truck segments.

### Auto investments announced in Canada 2020-23 (\$CAD)





Since the 1960s, Canada has reaped enormous economic and social benefits by being part of an integrated auto sector in North America. Through aligned regulations, competitive supports, and supportive trade policies, Canada manufactures and sells into a market accounting for annual sales of nearly 20 million vehicles.

The State of the Canadian Auto Industry Report 2023 provides a snapshot of the economic contributions the auto industry makes to the Canadian economy and key trends underway in the sector. The report shows that CVMA members Ford, General Motors, and Stellantis are leading a wave of new investment into the once-in-a-century transformation to electrification underway in industry.

In fact, since 2020 CVMA members (Ford, General Motors, and Stellantis) have announced investments of nearly CAD \$15 billion in Canada, creating over 6,000 new jobs and supporting tens of thousands throughout the supply chain. The majority of this investment is dedicated to EV assembly and the battery supply chain.

The auto industry is a key driver of the Canadian economy, making a \$14 billion contribution to GDP in 2022. The industry supports nearly 500,000 jobs across Canada, with over 90% of automotive manufacturing jobs full-time and hourly wages that exceed provincial and national averages. As Canada's second-largest goods export, motor vehicles are critical to Canada's economic prosperity.

Not only are automakers major exporters, but they also buy billions of dollars of parts, materials, and components from a vast network of suppliers across Canada. This wide-reaching supply chain explains why every job in an assembly plant supports nine additional jobs, one of the highest job multipliers among all industries.

In addition to the economic activity created by auto assembly, Ford, General Motors, and Stellantis play a major role in the innovation economy. Investments into vehicle connectivity, advanced software, and battery R&D are among just some of the activities that CVMA members undertake in Canada. This supports thousands of highly paid, highly skilled jobs on the leading edge of automotive technology.

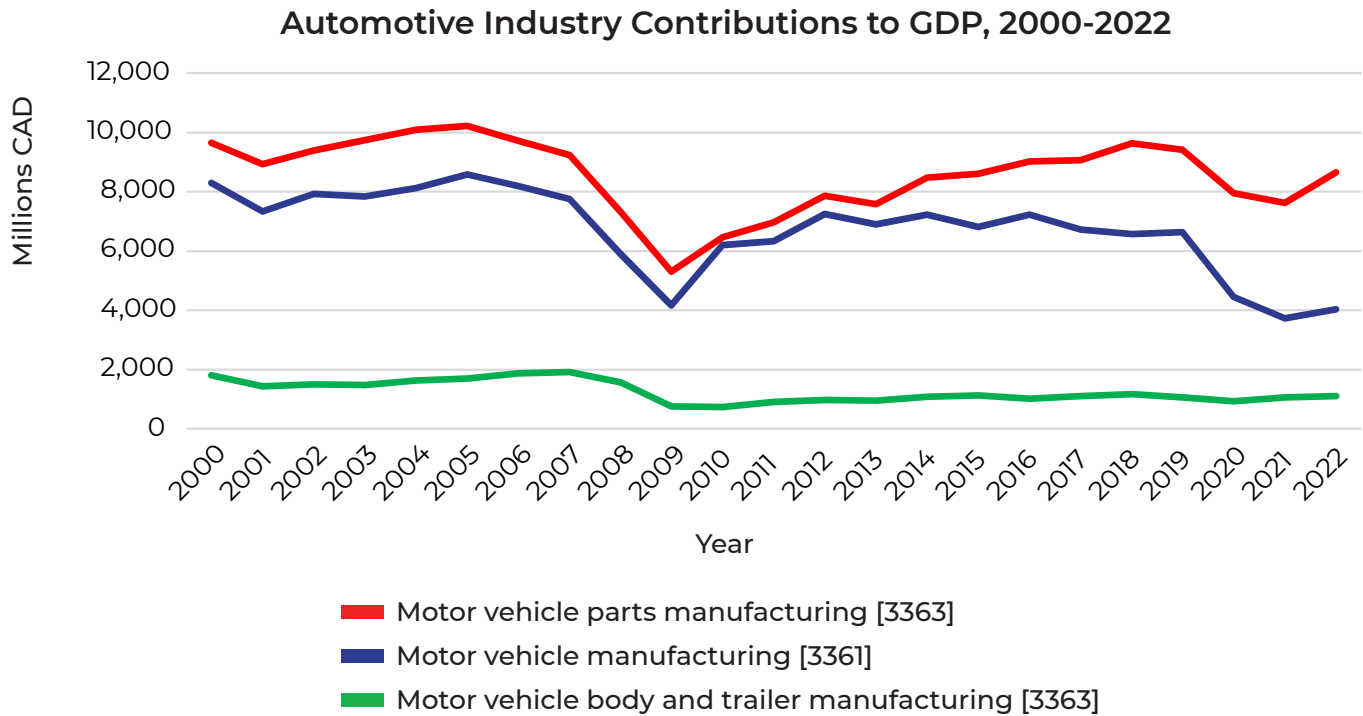
In sum, Ford, General Motors, and Stellantis play a vital role in the Canadian economy. The long-term success of the industry depends on continued alignment with the U.S. on everything from vehicle emissions standards, safety regulations, electric vehicle (EV) adoption measures, and trade policy.





## AUTOMAKERS DRIVE THE CANADIAN ECONOMY

The auto industry plays a key role in Canada's economy. With a \$14 billion contribution to the Canadian economy, motor vehicle and motor vehicle parts manufacturing is one of the largest manufacturing sectors.



Source: Statistics Canada, 2023



## AUTOMAKERS DRIVE THE CANADIAN ECONOMY

In 2022, the manufacturing sector was the second largest contributor to Canadian GDP behind real estate. In total, manufacturing is responsible for 10% of GDP with a contribution of \$195 billion.

Top 10 Contributors to Canadian GDP (2022)	2022 (C\$, bn)	% of GDP
1. Real estate and rental & leasing	268	13
2. Manufacturing	195	10
3. Mining, quarrying, & O&G extraction	156	8
4. Finance and insurance	152	7
5. Construction	151	7
6. Health care and social assistance	149	7
7. Public administration	142	7
8. Professional, scientific & tech. services	134	7
9. Educational Services	109	5
10. Wholesale trade	107	5
Others	491	24
<b>Total</b>	<b>\$2,054</b>	<b>100</b>

Source: Statistics Canada, 2023

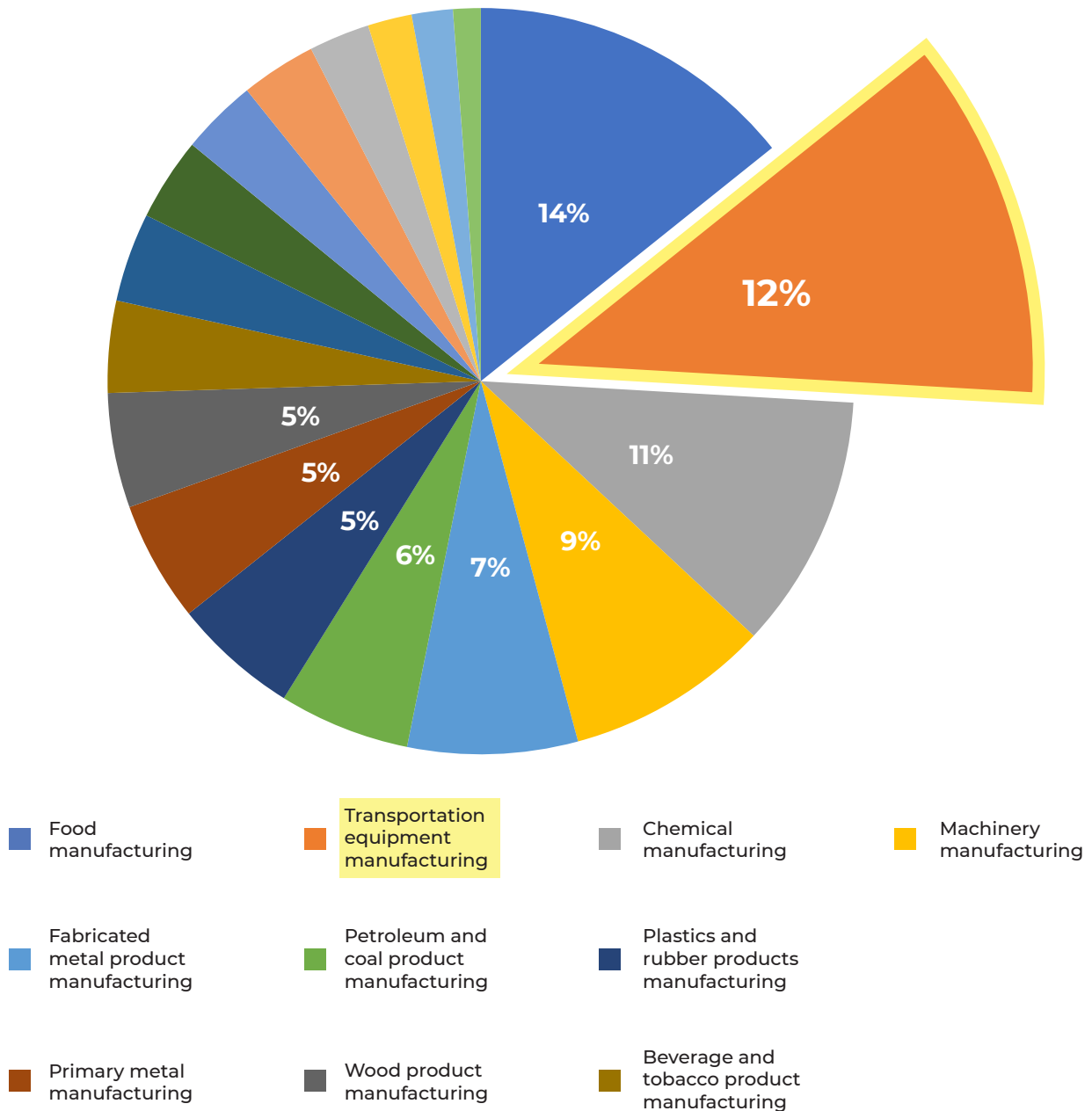




## AUTOMAKERS DRIVE THE CANADIAN ECONOMY

Transportation equipment was the second largest contributor to total manufacturing GDP, representing 12%. Motor vehicle & parts manufacturing was responsible for 60% of transportation equipment manufacturing in 2022.

Industry contribution to manufacturing GDP





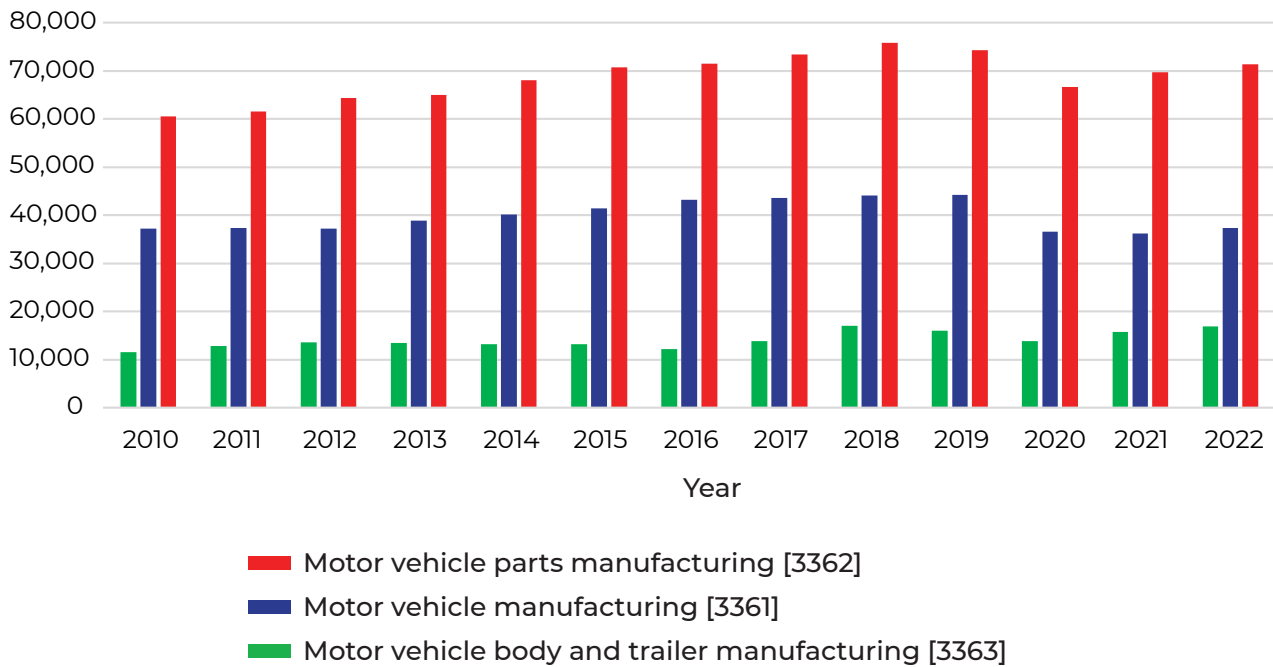
## AUTOMAKERS DRIVE THE CANADIAN ECONOMY

### Supporting middle-class jobs

The industry directly employs more than 125,646 people, 8 per cent of all manufacturing jobs in Canada<sup>1</sup>. An additional 371,400 people are employed in in aftermarket services and dealership networks. According to the Center for Automotive Research, every one job in an automotive assembly plant supports an additional nine jobs. This is the highest multiplier of any sector in Canada.

Over 90 per cent of automotive manufacturing jobs are fulltime high-paying jobs, with hourly wages that exceed provincial and national averages<sup>2</sup>. In 2019, autoworkers contributed more than \$2.6 billion to (provincial or federal) government revenues through payroll, sales, income and property taxes— equal to more than \$7 million each day<sup>3</sup>.

Automotive Manufacturing Employment, 2010-2022

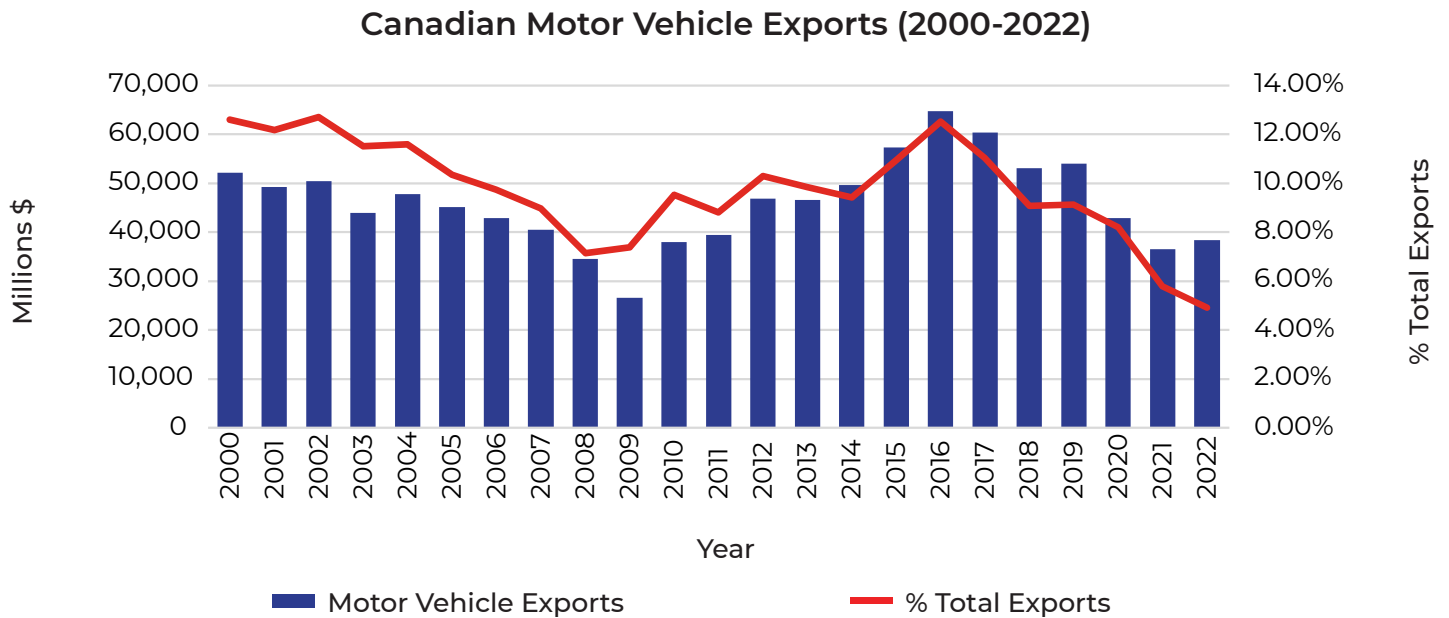


Source: Statistics Canada, 2023



## Trade

The auto sector is critically important to Canada’s global trade. In 2022, motor vehicles were Canada’s second largest goods export, responsible for \$38.3 billion in exports (5% of total good exports). After a decline in exports from the high reached in 2016, exports rebounded last year and are up 25% year to date compared to 2022.



Source: Statistics Canada, 2023

Canada’s auto industry has thrived thanks to longstanding integration and alignment with the larger U.S. automotive sector. This integration is underpinned by the Canada-United States-Mexico Agreement (CUSMA). Duty-free treatment under CUSMA (and NAFTA previously) given to originating vehicles and parts has enhanced supply chain integration and incentivized investments in North American production.

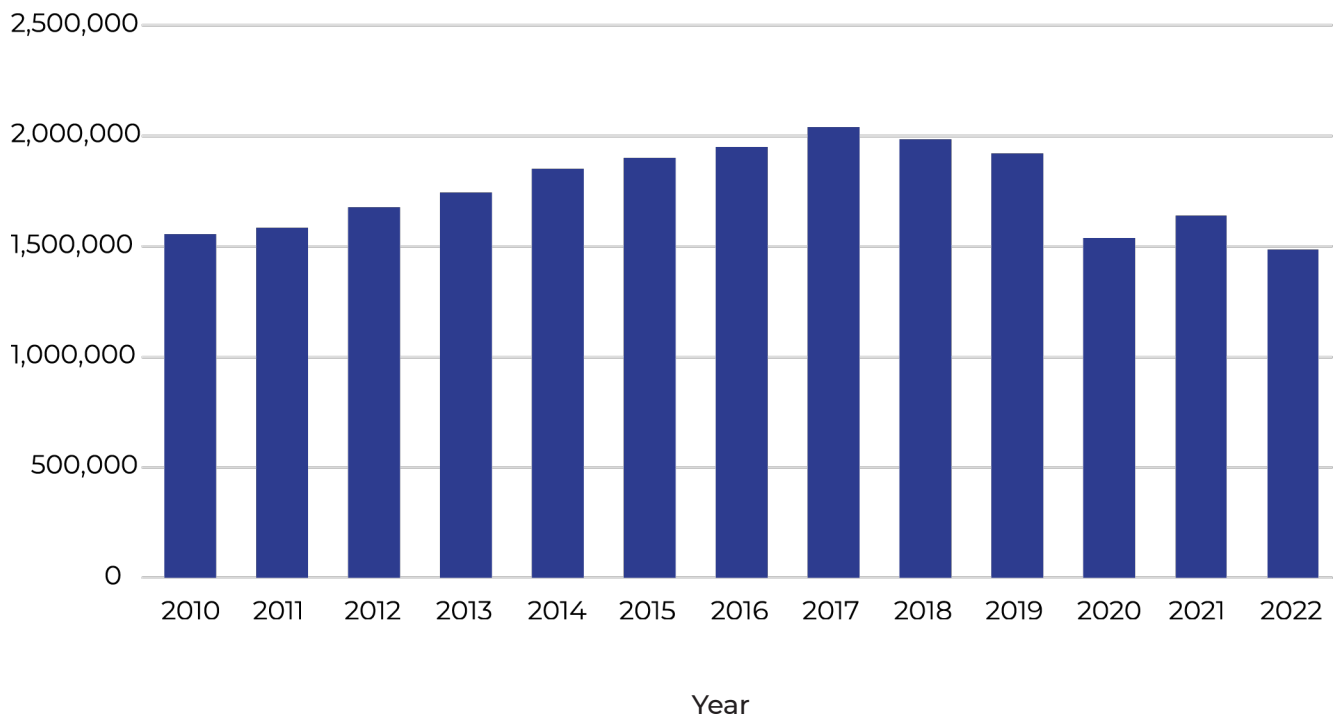
As a result of this integration, Canada’s top automotive export market is the U.S. In 2022, 92% of Canada’s motor vehicle exports (HS 8703) went the to U.S. The U.S. and Mexico were responsible for 65% of Canada’s total motor vehicle imports.

This highly integrated industry is reliant on reliable and efficient trade corridors including highway and marine port (BC, Montreal & Halifax) infrastructure. The Windsor-Detroit crossing is the busiest commercial border crossing between Canada and the U.S., handling 1.3M truck crossings in 2022<sup>4</sup> and approximately one-third of all trade between the two countries (about \$1 billion per day)<sup>5</sup> – much of which would be related to automotive.

## Vehicle sales and production

Light duty motor vehicle sales in Canada were 1,485,096 in 2022, a decline of 10% from 2021. This decline was largely attributed to the global semi-conductor shortage that has slowed the recovery from the COVID-19 pandemic.

Canadian Light Duty Vehicle Sales (2010-2022)



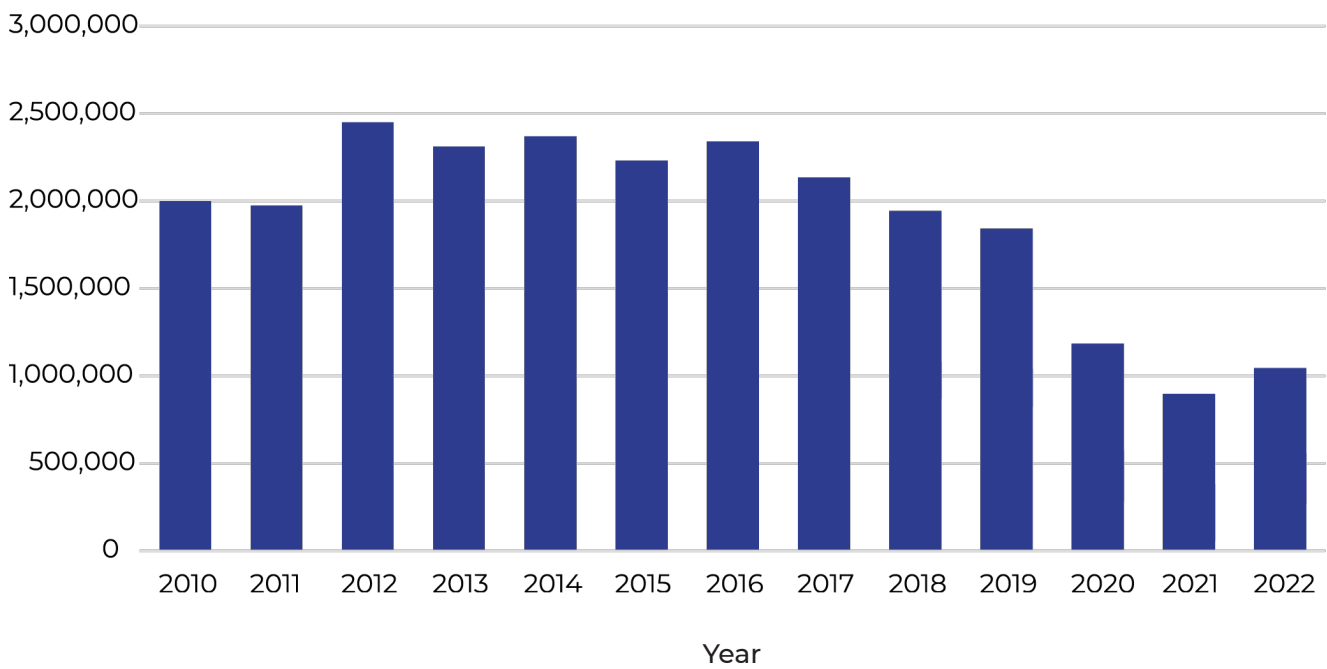
Source: DesRosiers



## Vehicle sales and production

Vehicle production declined to 1.1 million units in 2021 due to the COVID pandemic and associated global semi-conductor shortage. Production has remained below pre-pandemic levels as the industry continues to manage supply chain challenges.

Canadian Light Duty Vehicle Production (2010-2022)

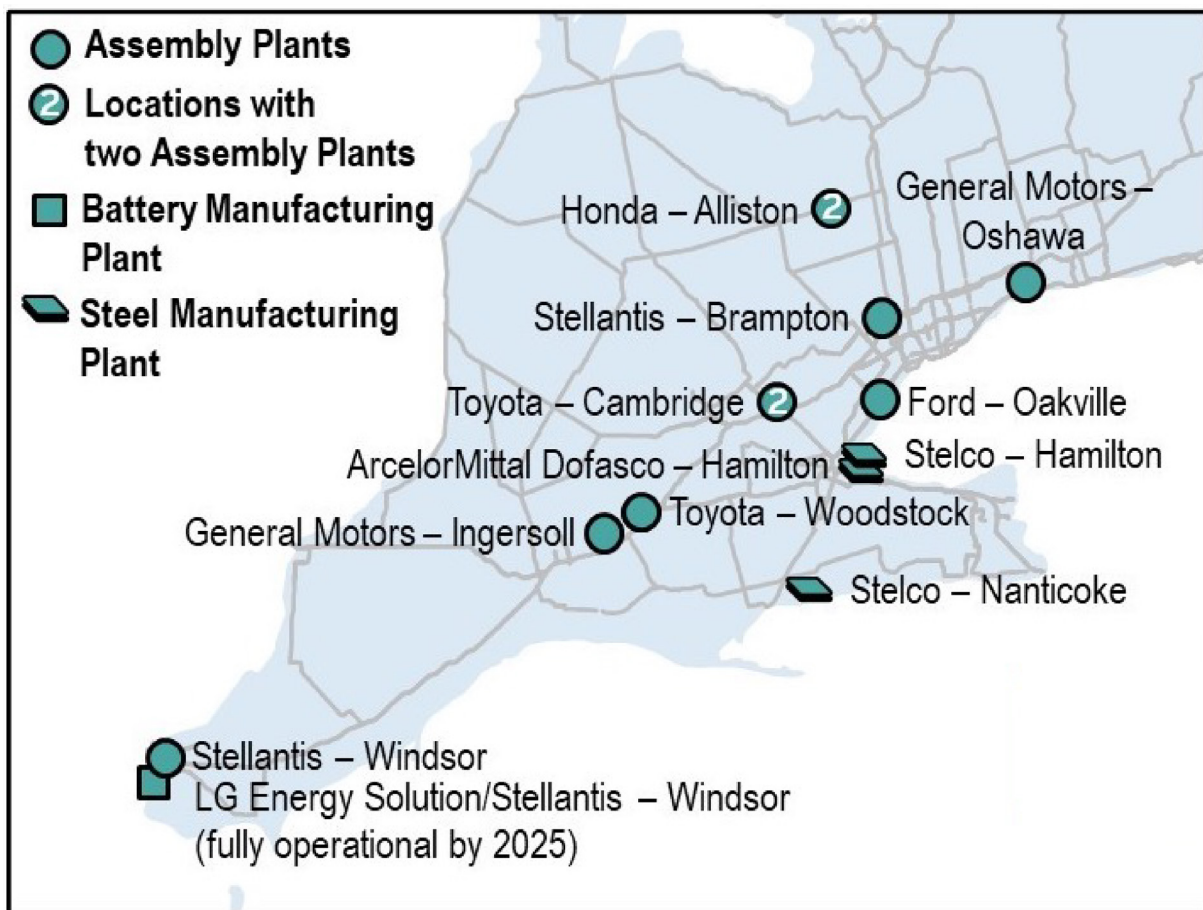


Source: CVMA, Automotive News

## Provincial focus: Ontario

Five original equipment manufacturers (OEMs) have vehicle assembly operations in Ontario, making the province the home of Canada's automotive industry. There are over 700 parts suppliers and 500 tool, die, and mould makers in the supply chain<sup>6</sup>. Motor vehicles and parts manufacturing contributed \$11.6 billion to Ontario's GDP in 2022, representing 1.5% of total provincial economic activity.

### Driving Ontario's Automotive Sector for the Future



Source: Ontario Ministry of Economic Development, Job Creation and Trade; Ontario Ministry of Northern Development, Mines Natural Resources and Forestry, Ontario Ministry of Transportation

Vehicles were Ontario's largest export in 2022 by a wide margin. Vehicle exports were responsible for 13% of total provincial goods exports at \$13.2 billion with parts responsible for an additional \$15.1 billion.



Provincial focus: Ontario

Top 5 Ontario Exports	(C\$, bn)	% of total
1. Motor vehicles	36.0	13.2
2. Gold	17.6	6.5
3. Motor vehicles parts	15.1	5.5
4. Medicaments	8.6	3.1
5. Bread, pastry, cakes	5.1	1.9
All Others	148.2	54.2
<b>Total</b>	<b>\$273.4</b>	<b>100</b>

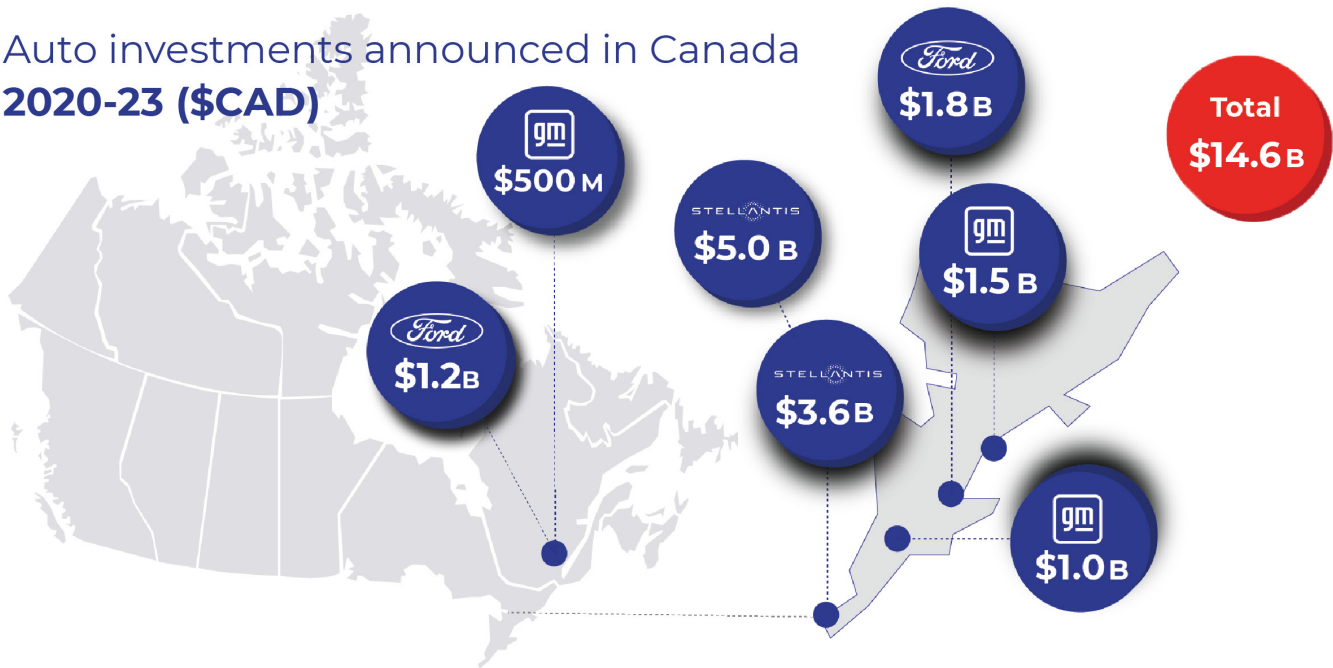
Source: Statistics Canada, 2023



## FORD, GM AND STELLANTIS LEADING A WAVE OF NEW INVESTMENT

Since 2020, Ford, GM, and Stellantis have announced new investments in Canada of nearly \$15 billion, creating over 6,000 direct jobs and tens of thousands throughout the supply chain. Most of this investment is dedicated to electric vehicle assembly and the battery supply chain.

### Auto investments announced in Canada 2020-23 (\$CAD)



## Highlights

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### Ford Motor Company

- Ford commits to investing \$1.8 billion to build new battery electric vehicles at Oakville Assembly Complex
- EcoProBM, SK On and Ford plan to invest \$1.2 billion to build a cathode manufacturing facility in Bécancour, Québec





## Highlights

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### General Motors

- GM Canada is investing more than \$2 billion in Canada to transform manufacturing facilities in Ingersoll and Oshawa
- GM Expands its North America-focused EV Supply Chain with POSCO Chemical in Canada



## Highlights

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### Stellantis

- Stellantis (FCA Canada) strengthens commitment to Canadian operations with up to \$1.58 bn in new investment creating 2,000 jobs
- Stellantis and LG Energy Solution to invest over \$5 billion in joint venture for first large scale lithium-ion battery production plant in Canada





## THE ELECTRIC TRANSFORMATION

The auto sector is going through an unprecedented technological transformation with automakers committing over USD \$1.2 trillion to EVs and batteries globally through 2030<sup>7</sup>. Ford, General Motors, and Stellantis are playing a leading role in this transformation, committing over USD \$100 billion to electrification, autonomous vehicles, and software.

Combined annual EV production is expected to reach 8 million vehicles by 2030 with over 100 new models available to consumers. The recent investments announced by Ford, General Motors, and Stellantis will ensure Canada plays a key role in the integrated North American automotive industry in an electric future.







## DRIVING INNOVATION

CVMA members are constantly innovating with investments into electrification, autonomous driving, and connectivity. Ford, GM and Stellantis have made significant investments in Canada in R&D over the past decade. Recent examples include:

### Ford Motor Company

- Ford operates three Canadian Connectivity and Innovation Centres in Ottawa, Waterloo, and Oakville<sup>8</sup>. These Connectivity and Innovation Centres have grown to over 500 positions since opening in March 2017, part of a \$500 million investment in Ford's Canadian research and development operations. The teams focus on software development and testing across infotainment, in-vehicle modems, and high-speed connectivity, with significant contributions to the development of SYNC 4 and SYNC 4A, debuting on the Ford F-150 and Ford Mustang Mach-E.

### General Motors

- In 2021, GM announced the opening of its new Canadian Technical Centre McLaughlin Advanced Technology Track (CTC MATT) in Oshawa to support engineering development and testing of advanced software and technologies<sup>9</sup>. GM's CTC today employs more than 1,300 engineers and software developers across four locations in Ontario.

### Stellantis

- Opened in May 1996 with a CAD \$30 million investment, the Stellantis-funded Automotive Research and Development Centre (ARDC) was the first partnership of its kind in Canada that linked industry and academia<sup>10</sup>. With a total Research and Development spend in Canada now exceeding \$1 billion, the ARDC benefits all partners. The facility is equipped with six road-test simulators, proprietary software development and a range of research and development support facilities.
- As part of Stellantis' CAD \$3.6 bn in Canada, the ARDC will become the first Battery Lab in North America adding more than 650 highly skilled engineering jobs support growth in electrification. The Battery Lab will be a state-of-the-art technology centre for the development and validation of advanced BEV, PHEV and HEV cells, modules, and battery packs.



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- 4 Bridge and Tunnel Operators Association
- 5 Invest Windsor Essex
- 6 Invest Ontario, <https://www.investontario.ca/automotive#facilities>
- 7 Automakers to double spending on EVs, batteries to \$1.2 trillion by 2030, <https://www.reuters.com/technology/exclusive-automakers-double-spending-evs-batteries-12-trillion-by-2030-2022-10-21/>
- 8 <https://media.ford.com/content/fordmedia/fna/ca/en/news/2017/03/30/ford-invests-c-500-million-for-r-d-in-canada.html>
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