Ontario’s New Auto Investment Strategy

More fuel for innovation

New investment program sharpens Ontario’s competitive edge

The drive for innovation and global competitiveness in Ontario’s auto sector will accelerate with the help of the province’s new Ontario Automotive Investment Strategy (OAIS).

• the CDN$500 million, five-year OAIS program, introduced in April 2004, is designed to support large-scale capital projects that contribute to the long-term competitiveness of the automotive industry

• under the programme, automotive assemblers and Tier One auto parts companies are eligible for government investment in strategic projects of at least CDN$300 million and/or 300 jobs and involving:
  • corporate innovation
  • advanced skills training
  • public infrastructure
  • improved energy efficiencies
  • new environmental technologies

• recognizing that innovation requires a flexible approach, projects will be evaluated on a case-by-case basis

Building on an international reputation for innovation and production excellence

• Ontario’s auto industry is a leader in “in-sequence” manufacturing, injection and blow molding, hydroforming, ferrous and non-ferrous casting, powder metal coating and fabrication

• Toyota’s assembly plant in Cambridge was the first plant outside Japan to assemble the Lexus

• the 2005 Chevrolet Equinox, the first vehicle ever to be lead-engineered in Canada, rolled off the line at the CAMI plant in Ingersoll in February 2004

• four of North America’s 10 most productive auto assembly plants are here

• Ontario plants have earned 13 of 40 North American J. D. Power and Associates awards based on independent studies of new vehicle quality

Made only in Ontario for North America

• General Motors: Chevrolet Monte Carlo, Impala, Equinox, Buick Regal and Pontiac Grand Prix

• Ford: Freestar, Crown Victoria, F150 Heritage, Mercury Grand Marquis, Marauder and Monterey

• DaimlerChrysler: Pacifica, 300C and Dodge Magnum

• Honda: Pilot, Acura MDX and Acura EL

• Toyota: Matrix and Lexus RX 330
Ontario’s substantial cost advantage

• the 2004 KPMG *Competitive Alternatives* report shows that Canada’s— and Ontario’s— auto parts manufacturing costs are 6.4% lower than in the U.S., 20.2% lower than in Germany and 36% lower than in Japan
• Ontario’s combined (provincial and federal) corporate income tax rate for manufacturing is 4% below the U.S. average

More incentives for innovation

• 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 can be less than $42
  • R&D deductions can be carried forward indefinitely
  • more costs qualify for R&D tax credits in Ontario than in the U.S.

Our auto industry

• produces more vehicles than any other state, except Michigan
• manufactures one in six vehicles built in North America
• exports about 85% of all vehicles to the U.S.

Ontario’s auto assembly industry

• employs about 50,000 highly-skilled workers
• includes 15 plants operated by 7 of the world’s largest vehicle manufacturers
• produced 2.5 million vehicles in 2003

Ontario’s auto parts industry

• employs 90,000+ workers
• includes 400+ innovative companies
• recorded sales of US $21 billion in 2002

Let us help you

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