RESPONSE TO PETITION

Prepare in English and French marking 'Original Text' or 'Translation'

PETITION NO.: **421-01643**

BY: **MS. RAMSEY (ESSEX)**

DATE: **SEPTEMBER 20, 2017**

PRINT NAME OF SIGNATORY: **SIGNED BY THE HONOURABLE NAVDEEP BAINS**

Response by the Minister of Innovation, Science and Economic Development

SIGNATURE
Minister or Parliamentary Secretary

SUBJECT

Manufacturing industry

ORIGINAL TEXT

REPLY

That the federal government of Canada work to secure future production levels at GM CAMI Ingersoll by:

Demanding GM CANADA reverse their decision to build the next generation Terrain in Mexico and bring that production back to GM CAMI Ingersoll to maintain production and staffing levels at 2016 numbers.

While any job losses are disappointing and based on private sector decisions, the Government of Canada remains optimistic about the strength and future of Canada's automotive industry and is committed to being a full partner to support automotive investments in Canada. Innovation, Science and Economic Development Canada (ISED) has seen significant investments in Canada's automotive footprint recently, and Canada is also playing a leading role in developing the car of the future.

The Government of Canada is actively engaged with the automotive industry, including General Motors, the provinces, municipalities, suppliers, labour, and all affected stakeholders to secure and grow Canada's automotive footprint. General Motors is clearly an important element of this footprint, employing thousands of Canadians. While the investments that GM has made in both manufacturing and R&D have been important, including their commitment to invest $554 million recently in its Oshawa Assembly plant and $800 million in CAMI to produce the next-generation

Equinox, the Government of Canada will continue to work with all stakeholders to ensure Canada remains a competitive place to design and build vehicles.

Engaging all stakeholders to finally develop a focused, consistent and effective National Auto Strategy which would include:

Better integrating of federal and provincial investment attraction efforts

Ensuring Canada's investment incentives are competitive and efficient

Reverse the automotive trade deficit with all countries, including Mexico

The Government of Canada is taking concrete steps through several key policy initiatives to secure and strengthen the automotive sector in Canada that builds on and leverages the experience in the industry and the expertise in technologies shaping the industry's future.

The Government's Innovation and Skills Plan helps position Canada as a leader in the global economy with commitments to grow Canada's automotive footprint, support digital innovation and invest $1.4 billion in clean technology financing. These commitments result in world-class clusters of innovation and a highly skilled mobile workforce across sectors.

The Government is delivering on its commitment to maximize the impact of its support to the automotive sector, and ISED is now building on these results by creating a Strategic Innovation Fund, a $1.26 billion program that will make it easier for investors to seek funding for innovative projects that cut across sectors. The goal is to stimulate cutting-edge investments in autonomous and connected vehicles that rely on ICT, Artificial Intelligence and other advanced integrated technologies – all key to ensuring that the "cars of the future" are designed and built in Canada.

The Government's Innovation Superclusters Initiative will invest up to $950 million between 2017-2022 to support business-led innovation superclusters with the greatest potential to energize the economy and become engines of growth. This new Fund will attract and support high-quality business investments across all sectors of the economy, and will encourage cross-sector partnerships.

The Government has established six sectoral Economic Strategy Tables in: Advanced manufacturing, Agri-Food, Digital Industries, Health/Bio-sciences, Clean Technology, and Clean Resources. The Tables will draw on the sectoral expertise within and outside of government to develop growth targets and long term sectoral action plans that will turn Canadian strengths into global advantages.

The Government has listened and heard from business leaders that bringing top talent from around the world to Canada is at the top of their list. Our Global Skills Strategy will make it easier for companies to recruit the highly skilled people they need across Canada.

The Government also announced the Invest in Canada Hub, which will target international investments and sell Canada as the world's location of choice. In doing so, ISED has a dedicated group focused on the automotive industry.

The automotive industry is at the centre of these policies, as Canada's second largest manufacturing sector with 126,900 jobs (401,800 indirect) and contributes $18.2B to GDP. The Government works closely with stakeholders – including automotive companies, provincial partners and non-for-profit organizations – to identity ways to maximize the impact of these measures on Canada's automotive industry moving forward. In particular, the Government has a long tradition of working together with provincial governments, including Ontario, Quebec and British Columbia who are key partners in the automotive industry.

Moving forward, the Government will continue working with our provincial partners to deliver on an ambitious automotive policy agenda to attract investment and position Canada as a leader in innovation, developing the car of the future and reducing greenhouse gas emissions. Our Pan-Canadian Framework on Clean Growth and Climate Change outlines measures to increase technology development and adoption while achieving emissions reductions across all sectors of our economy. This Framework also includes a commitment to the development of a Canada-wide Zero Emissions Vehicle Strategy by 2018 to expand the number of ZEVs on Canadian roads.

With respect to trade, the Government remains committed to increasing our economic prosperity and the opportunity for good paying jobs for Canadians by strengthening and expanding our trading relationships with our trading partners around the world, such as the Canada-European Union Comprehensive Economic and Trade Agreement (CETA) which entered into force on September 21, 2017. In the trade of fully assembled vehicles and automotive parts Canada enjoys a small surplus (as of 2016) in its combined trade with the United States and Mexico as governed by the North American Free Trade Agreement (NAFTA). Canada is currently negotiating with our NAFTA partners to better align the agreement to new realities in trade and investment, while upholding Canadian interests and values. The Government continue to work closely with the United States and Mexico to find win-win-win solutions that benefits the middle class in all three countries.

Overall, these actions and policies send a clear message that Canada is open to do business. The Government is seeing successes and continues to be focused on results.

Canadian companies are already at the centre of the innovation race. This includes companies, such as BlackBerry's QNX platform, which announced a $100-million investment and 650 new jobs in Ottawa to push software development for driverless cars.

Ontario's recent launch of the first automated vehicle pilot program in Canada further reinforces that the Government can take a leadership position in advancing new technologies.

The Government has also witnessed significant investments and long-term commitments that make Canada a competitive location for automotive investment. This year, both Ford and Honda have invested heavily in Canada. Honda has invested $492 million, which will position it to be awarded the next mandates for the Civic and CR-V models in the next few years. As for Ford, its significant $1 billion investment will see them strengthen their Canadian operations in research and development, and secure a new engine mandate at its Windsor Engine Plant.

These policies and the concrete steps the Government has taken will leverage the people, technologies and companies that are uniquely positioned to design and build the cars of today and tomorrow right here in Canada. Our policies build on:

Canada's mature automotive cluster and our technological engineering strengths in IT, sensors, network security, lightweight materials and alternative powertrains that align with the projected future of the industry;

Canada's educated workforce and R&D capabilities at over 40 universities and colleges doing automotive research;

Established Canadian ICT companies, such as Blackberry/QNX, that are supporting the autonomous vehicle (AV) technology needs of OEMs, as are many more emerging players from Canadian universities, incubation hubs and research and technology centers;

Canada's world-renowned experts in artificial intelligence (AI) at the University of Toronto and McGill who are creating a powerful cluster of AI expertise;

Ontario’s expertise in cloud computing, digital displays, robotics, satellite technologies, security, software development and telecommunications, that make it the largest IT region in North America outside of Silicon Valley; and

Ontario’s place within the highly integrated and the largest automotive cluster in North American with Michigan, Indiana, Illinois and Ohio.