

Auto Assembly Sector Profile

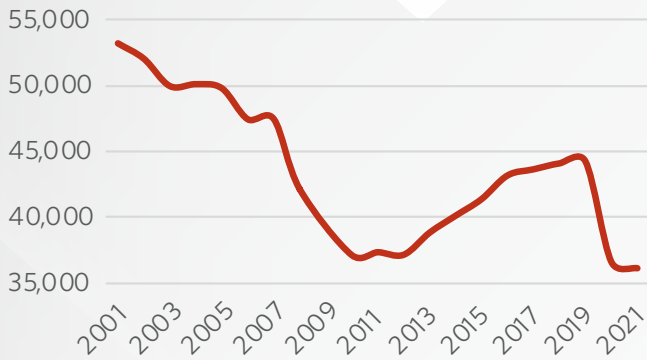
Sector Facts and Figures

Total GDP <i>Share of Canadian GDP</i>	\$3.7 billion 0.18%
Exports	\$35.1 billion
Imports	\$54.7 billion
Foreign Trade Balance <i>5-year change</i>	-\$19.6 billion -822.4%
Total Employment <i>Change since 2011</i>	36,200 -3.2%
Real wage growth (2011-2019)	-11.0%
Labour Productivity (2019)	\$76.8/hr
Average Work Hours/Week (2019)	37.6
Greenhouse Gas Emissions (2019) <i>Change since 2009</i> <i>Share of Canadian industry total</i>	727kt +14.5% 0.12%
Union Coverage Rate (approx.)	65%
Unifor Members in the Industry	22,000
Share of Total Unifor Membership	8%
Number of Master Bargaining Units	4

Current Conditions

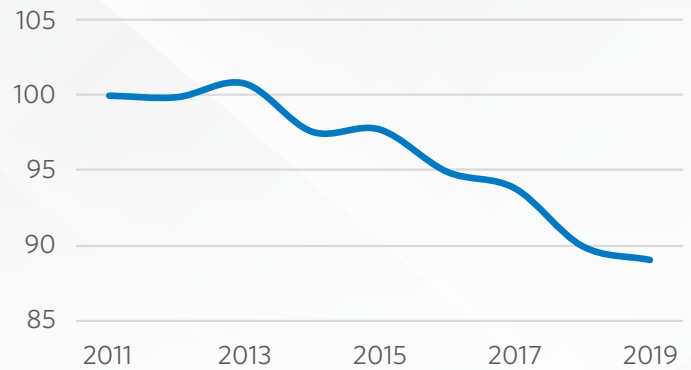
After nearly two decades of slow decline, Canada's auto sector appears poised for a renaissance. Catalyzed by a historic round of collective bargaining between Unifor and the "Detroit 3" automakers (Ford, Stellantis and General Motors) in 2020. This included multi-billion dollar investments in new electric vehicle (EV) product programs in Ingersoll, Oakville and Windsor, and the restart of truck production in Oshawa.

Auto assembly employment, 2001 - 2021



Auto sector investment is on a clear upswing. In fact, over a span of 18 months, automakers earmarked \$14 billion in new investments for Ontario, alone. This includes Canada's first large-scale battery cell 'gigafactory' in Windsor-Essex (a joint venture between Stellantis and LG Energy) as well as commitments to retool Stellantis' Brampton Assembly for electric vehicle production in the coming years. This does not include various other battery-related production earmarked for Quebec, and other zero-emission technology

Auto assembly: Real wages (2011=100)



investments in the rest of Canada. For the first time in a long time, federal and provincial governments appear in-sync and ready to invest in a sector that is still a main economic driver for the country.

This remarkable turnaround is all the more impressive given recent challenges. Major U.S.-led trade disputes, from "national security" tariffs (under President Trump) to America-first EV tax credits (under President Biden) posed existential threats to future auto work in Canada. The COVID pandemic and resulting supply chain bottlenecks (including a shortage of semiconductors) ground production in most facilities to a halt, causing major layoffs and downtime. Ongoing pressure to compete with low-cost global suppliers, in places like Mexico and China, still looms large.

Unifor in the Auto Assembly Industry

Select Unifor Employers	Approx. # Members
Stellantis (FCA)	8,000
General Motors	6,500
Ford Motor Company	6,300

Unifor is Canada’s predominant autoworkers union, with nearly 22,000 members working in auto assembly and powertrain operations (i.e. engines and drivetrain components). The major auto sector makes up 7% of overall union membership, mostly located in Ontario.

Approximately half of all auto assembly employees in Canada fall under a Unifor collective agreement, which remains

among the ‘gold standard’ labour contracts in Canada. In an effort to repel Unifor, Toyota and Honda (Canada’s non-unionized automakers) offer similar compensation and working arrangements (which means they piggyback on the employment standards set by Unifor).

Unifor membership spreads across three employers, Stellantis (formerly Fiat Chrysler), Ford and General Motors. The synchronization of contracts across these three firms gives Unifor members more bargaining power in negotiations. Apart from production and skilled trades jobs, Unifor members also work in offices, engineering, warehousing, transportation, security and others.

Moving Forward: Developing the Auto Assembly Industry

Canada has all of the necessary resources to position itself as a major player in the “green” auto industry – a sector pivoting toward electric and zero emission vehicles of the future. This shift in focus happened faster than most expected, driven by an increasingly desperate need to cut global emissions, government-imposed clean vehicle sales mandates and growing consumer demand. Canada sits on storehouses of critical minerals needed

to make batteries, boasts a highly skilled workforce, is a hub for world-leading research and development, maintains key transportation infrastructure and is in close proximity to the U.S. market. For the first time in a long time, federal and provincial government officials are recognizing the sector’s outsized contribution to the economy and leaning in with public investments.

Canada may be well suited for growth in EVs, but a lot of work still needs doing to realize its powerhouse potential. For starters, governments must codify their ongoing sector-development work within

a national industrial strategy – prioritizing and devoting the necessary resources to a comprehensive sector growth plan. This strategy must link to fairer and more balanced trade policy, as well as labour market strategies that support targeted training, unionization efforts as well as greater workforce diversity and inclusion.

Efforts to attract lucrative assembly mandates (whether internal-combustion engine vehicles, EVs or batteries) is vital, and must continue, but also must extend to next-generation powertrain, including e-motors and e-axles (products that can bolster the work of existing powertrain facilities), along with other battery-related materials, such as cathodes and anodes.

For an EV transition to succeed, governments and automakers must also continue to prime the market, with investments to expand charging infrastructure, clean energy generation, as well as as well as consumer incentives to offset higher vehicle prices. Canada must do all it can to seize this opportunity.

Major Sector Development Issues

- Establish a comprehensive national auto sector industrial strategy
- Provide further public investment supports to key product programs, including vehicle assembly mandates but also in powertrain and electric vehicle motor systems
- Grow good jobs in the auto sector by simplifying union certification rules in all jurisdictions, supporting inclusive hiring practices and promoting workforce diversity
- Ensure that fair and balanced trade policy aligns with sector development goals
- Support consumer adoption and government fleet purchases of Canadian-made EVs, through incentive programs, infrastructure upgrades and awareness-raising efforts.
- Provide adequate transition supports
- Protect existing scopes of practice for skilled trades, and encourage employer-funded apprenticeship programs.