

# Ontario Auto Mayors Meeting

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The Ford logo, featuring the word "Ford" in a stylized, dark blue script font.

## Canada-U.S. Market Integration

**Since 1965 the Canadian and U.S. automotive industries have developed as a highly integrated cross-border sector**

- Aligned vehicle safety standards between Canada and the U.S.
- Aligned Canadian and U.S. vehicle GHG emissions standards
- Allows for economies of scale to design, engineer, and test vehicles for a larger common market
- Alignment supports a high level of export and import between the two countries
  - Approximately 80% of Canadian production is exported to the U.S.
  - Nearly half of Canadian vehicles sold were imported from the U.S.

Canada's Auto Sector and Canadian Consumers Benefit From Close Integration With the U.S.

## Oakville Assembly Complex



Ford's Iconic Super Duty Pickup Truck Will Be Built In Oakville.

## USMCA Review Will Take Place In 2026



Preparations Are Underway In All Three Countries.

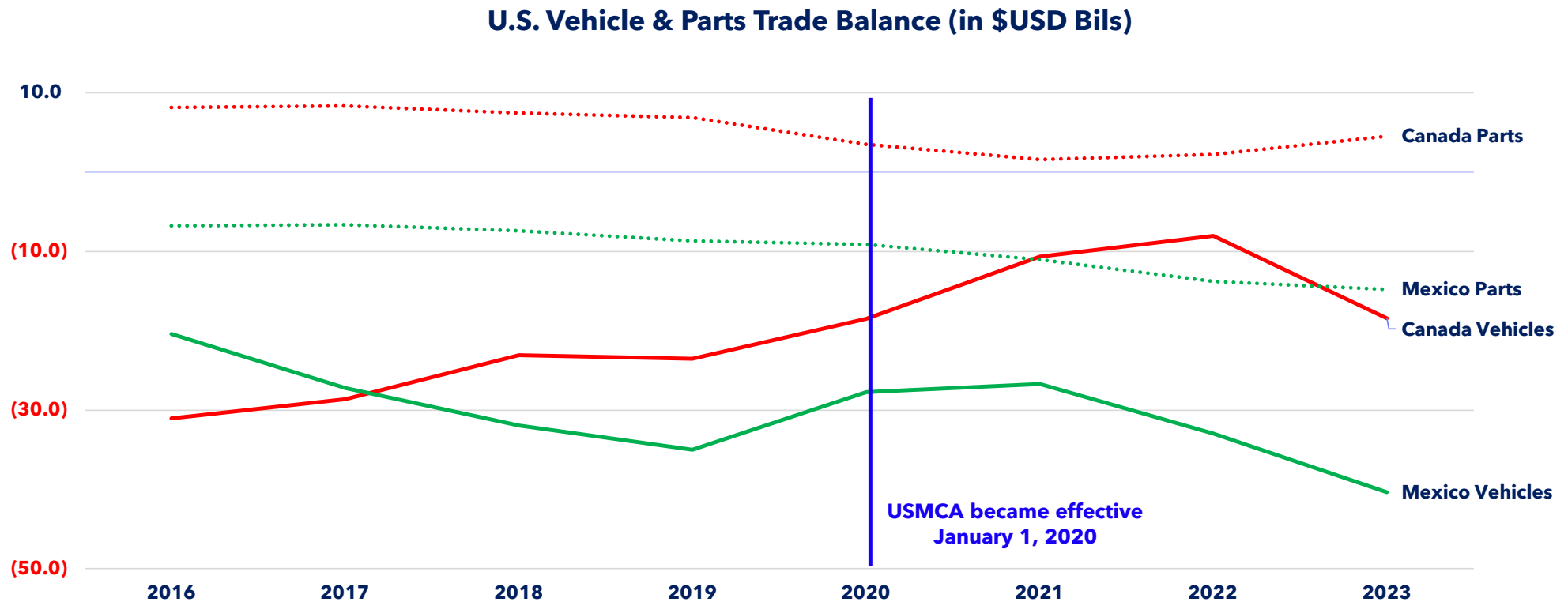
## The 2026 USMCA Review Is A Key Policy Priority

More stringent USMCA automotive rules took effect January 2020, which promote increased North American content

	NAFTA	USMCA	
Regional Value Content	62.5%	75%	
Labour Value Content	NA	40% - 45% at plants paying \$16/hr	
Steel and aluminum purchasing requirements	NA	70% from USMCA countries	
<u>Vehicle Parts:</u>		<u>Light Vehicle</u>	<u>Heavy Truck</u>
Core/Super-Core (engines and transmissions, EV batteries)	NA	75%	NA
Principal (glass and tires)	NA	70%	70%
Complementary (valves and lead acid batteries)	NA	65%	60%

Recommendation Is To Maintain Existing USMCA Rules For the Auto Sector.

## U.S. Automotive Trade Balance With Canada And Mexico



Since 2020, U.S. Auto Trade With Canada Has Improved Slightly, But Has Worsened With Mexico.

## Summary

### **The Seamless Integration Of The Canadian And U.S. Auto Industries Benefit Canada's Auto Sector And Consumers**

- Canada's small market thrives in the global auto industry by leveraging U.S. integration

### **Going Forward**

- A generational transformation to electrification is underway in the global auto industry
- Canada's integration with the larger US market is a competitive advantage
- Going forward, perfect alignment between Canada and US policy will benefit Canada's auto sector

Canada's Aligned Auto Sector With The US Is A Competitive Advantage

Thank You