WINDSOR & DISTRICT
CHAMBER OF COMMERCE

AUTOMOTIVE POLICY STATEMENT

BACKGROUND

Over the past 10 to 15 years the auto industry in Canada prospered in a business environment generally characterized by positive public policy. This policy played a crucial historical role in developing our large and productive auto sector but many of these measures are no longer in place today. Recently, a WTO ruling lead to the elimination of the Auto Trade Pact with the U.S. and associated public policy rules that helped build the auto industry in Canada.

The auto industry is at a critical juncture, with an estimated 20 million units of vehicle assembly overcapacity globally. Approximately 5 million units of this overcapacity is in North America. The auto industry is under intense financial pressure with pending plant closures, and suppliers under considerable market pressure to cut costs, invest more in R&D, and innovate to remain competitive.

Locally, the automotive plants and related auto sector businesses are of the greatest importance but they are also only a part of the economic landscape. The economic impact on the small business sector, (i.e. restaurants, retailers, independent service providers and the entertainment industry), which directly and indirectly relies on the auto industry to sustain our local economy is immense. Additionally, the auto sector has a significant impact on our construction, shipping, transportation and tourism industries.

The Windsor & District Chamber of Commerce therefore believes that our business community will derive great benefits from a strong and dynamic automotive industry. The multiplier effects for local businesses and the jobs that will be provided by a healthy automotive sector are too great to be ignored. As the voice of business we would like to provide leadership in our community by advocating increased public support for this vital sector of our economy.

Because of the strategic importance of the automotive industry for our local economy the Windsor & District Chamber of Commerce supports the four- pillar strategy to improve the position and strength of the automotive sector. These four pillars are trade infrastructure, fiscal stimulus, investment in skills and regulatory harmonization. We support the creation of a national automotive strategy, as being formulated by the Canadian Automotive Partnership Council (CAPC), and a greater role and responsibility of the Federal, Provincial and local governments in creating a positive and welcoming business climate, and the creation of a more efficient trade infrastructure.

We welcome the Provincial government's strategy for strengthening Ontario's competitiveness in the automotive sector. We also support the additional funds ($625 million) to expand and enhance current research and development programs and training over the next five years and to make these funds more accessible to the automotive sector.

Within the bounds of WTO rules, governments should implement strategies that encourage and make it advantageous for companies that sell here to invest here. The provincial government must enable local authorities to provide competitive investment incentives and must be more actively involved in proactive investment incentive programs. New greenfield investments should be given special attention from the public sector as the marketplace becomes more competitive.

We support the provincial and federal government in their commitment to improve the local infrastructure. Improved access from Highway 401 through to the U.S. Interstate highway system is required so as to create a "seamless border". The varying proposals (or any meaningful and effective combination of them) must receive sufficient funding for the projects to be effective. The investment must improve current capacity by reducing congestion and enhancing or facilitating the infrastructure at the present Windsor/Detroit crossings.

For that reason, the governments, acting upon the Joint Management Committee's recommendations, must keep their commitments and move expeditiously to implement the $300M planned investment so that all necessary improvements are made in advance of the five-year time frame.

SUMMARY OF RECOMMENDATIONS

- We support a four-pillar strategy to improve the position and strength of the automotive sector. These four pillars are trade infrastructure, fiscal stimulus, investment in skills and regulatory harmonization.
- We support the creation of a national automotive strategy, the role and responsibility of the Provincial government and local authorities in creating a positive and welcoming business climate.
- We welcome and support the Provincial government’s strategy strengthening Ontario’s competitiveness in the automotive sector.
- New greenfield investments should be given special attention from the public sector as the marketplace becomes more global and competitive.
- The governments, acting upon the Joint Management Committee's recommendations, must keep their commitments and move expeditiously to implement the $300M investment in our local cross-border infrastructure.
- Any public investment in our infrastructure must improve current border capacity by reducing congestion and enhancing or facilitating the infrastructure at the present Windsor/Detroit crossings.