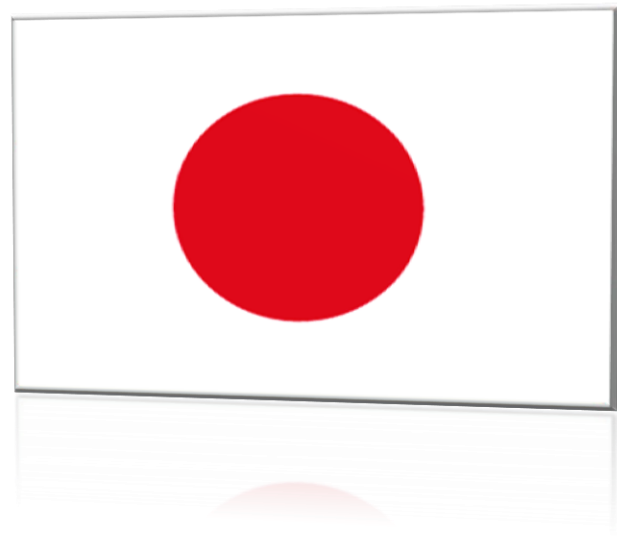


# Canada-Japan EPA: Free Trade Drives Growth & Prosperity



David Worts, Executive Director

JAMA  Canada

# JAMA Canada

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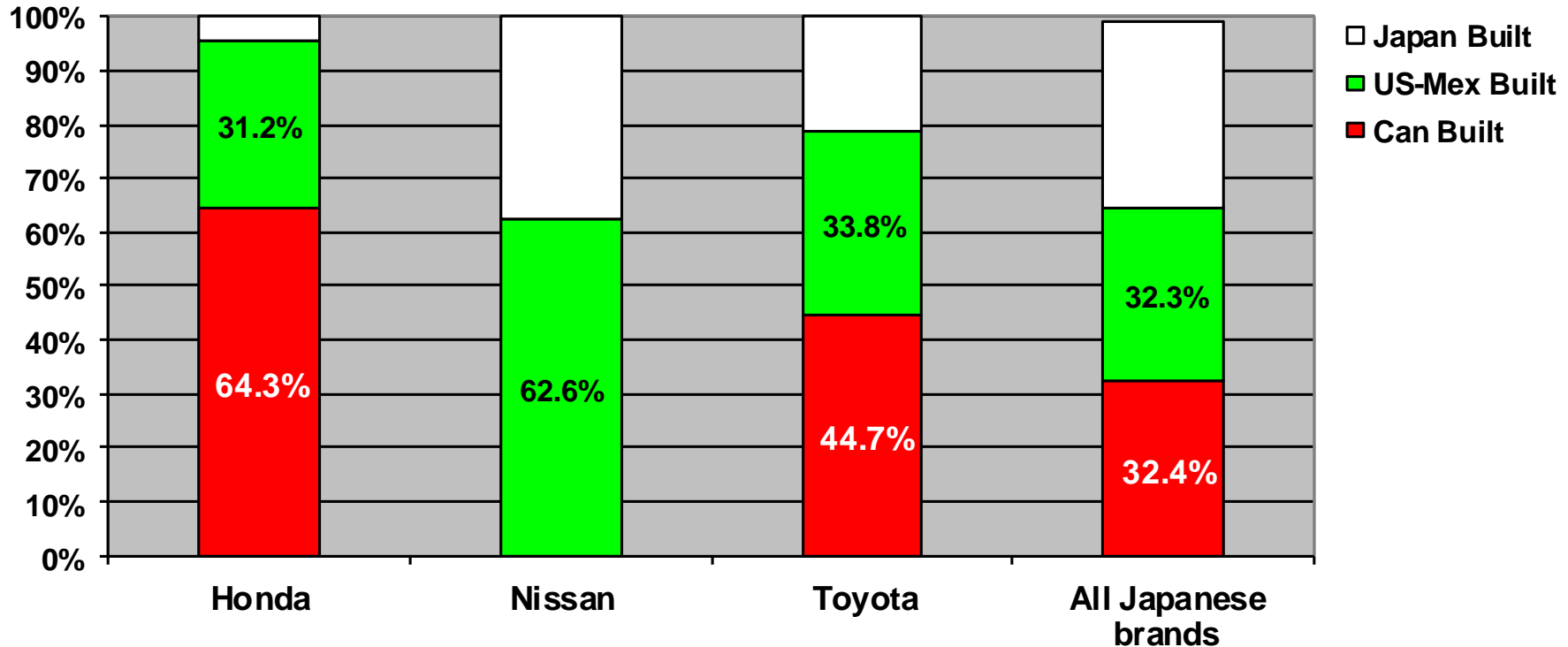
- Established in 1984 to promote greater understanding on trade and economic issues in the auto sector and to promote closer cooperation between Canada and Japan
- JAMA Canada is an associate office of JAMA, Inc.
- financially supported by JAMA Tokyo and our local members in Canada
- Members: Hino, Honda, Mazda, Mitsubishi, Nissan, Subaru, Suzuki, Toyota  
*(subsidiaries in Canada)*
- Japan Automobile Manufacturers Association has representative offices in Washington, Brussels, Singapore and Beijing.

# Localization

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- Over \$9 billion investment by Japanese automakers in Canadian vehicle manufacturing since 1986
- Since 1986, Honda (2), Toyota (3) & Hino have set up assembly plants in Ontario.
- CAMI: begun as JV (Suzuki & GM) in 1989; Suzuki sold share to GM in 2009 => now wholly owned by GM
- Toyota wheel plant (CAPTIN) established in 1985 in B.C.
- Honda opened a 4 cyl. engine plant in 2008; added CR-V in 2012
- Toyota's only Lexus plant outside of Japan in Canada (RX 350) will add hybrid in 2013; TMMC began RAV4 EV in summer 2012
- Hino Motors Canada ramping up localization of parts for Class 6 & 7 medium duty truck production in Woodstock
- 10 millionth vehicle built in March 2009
- Currently, 56 Japanese - affiliated OE auto parts, machinery, tool & die, and materials manufacturing plants are operating in Canada (mostly in Ontario)

# Source of Japanese Brand Sales in Canada (2012)



2 out of 3 Japanese brand vehicles sold in Canada were built in NA

# Shifting sales & market share in Canada

	2008	<i>2008 share</i>	2009	2010	2011	<i>Change 11/10</i>	<i>2011 share</i>
US (D3)	787,378	<b>48.1%</b>	639,192	718,613	748,289	4.1%	<b>47.2%</b>
Japan	615,914	<b>37.6%</b>	552,933	531,154	492,354	-7.3%	<b>31.1%</b>
Korea	118,152	<b>7.2%</b>	149,351	172,389	194,393	12.8%	<b>12.3%</b>
EU	114,542	<b>7.0%</b>	119,105	134,965	150,483	11.5%	<b>9.5%</b>
TOTAL	1,635,986		1,460,581	1,557,121	1,585,519	1.8%	

# Canada's Key Trade Agreements

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- **Canada – US Auto Pact** (1965 – repealed in 2001)
- **Canada – US FTA** (1989)
- **NAFTA** (1994)
  
- **Canada – South Korea**
- **Canada – EU CETA**
- **TPP**
- **Canada – Japan EPA**

# Canada-Japan EPA Will Bring Benefits to Canada & Japan

- **Canada-Japan EPA to deepen our bilateral commercial relations, and to create collaborative opportunities between Canadian and Japanese business in Asia and around the world.**
- **JAMA Canada members still rely on vehicles from Japan including eco-friendly, advanced technology vehicles for Canadian consumers, in spite of expanding local production of high volume vehicles in Canada.**
- **A timely EPA with Japan could facilitate open and balanced treatment with all trade partners offering equivalent tariff treatment for all automakers in the Canadian market.**
- **Finally, an EPA with Japan would help to maintain and grow employment, particularly in the automotive sector in Canada.**

## Japanese auto sector in Canada (Sept 2012)

**422,000 light vehicle sales (+15%)**  
2 of 3 sales built in N.A.

**709,000 vehicles built (+59%)  
in Canada** (of which 77% exported)

**545,000 vehicles (+ 54%)  
exported from Canadian plants**  
(Canada has been a net exporter of Japanese vehicles every year since 1993)

**134,800 imports from Japan (+53%)**  
**130,600 imports from NAFTA (+4%)**

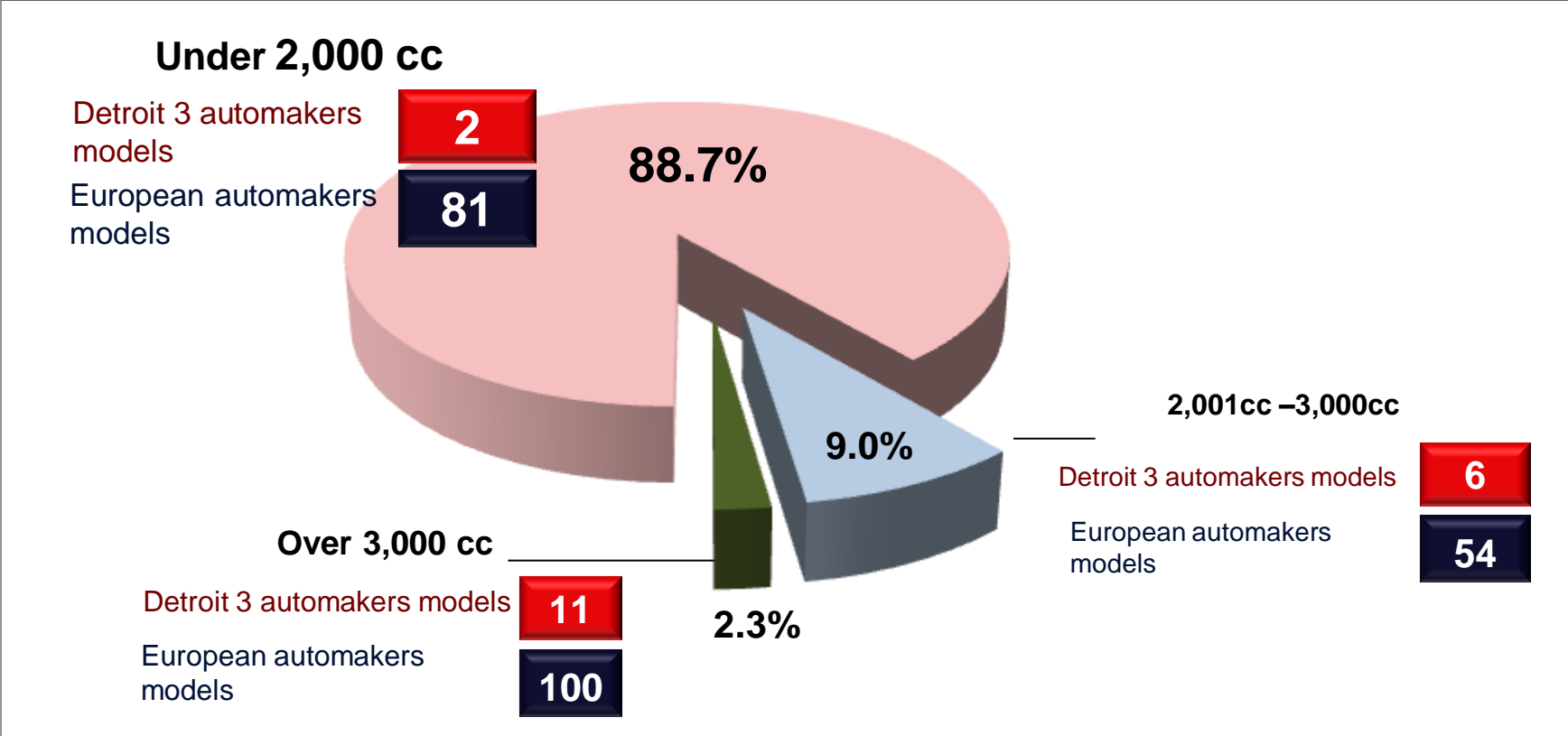
**68,000 Canadian employment**  
in Canada including import, export, manufacturing  
(parts & vehicles), sales & service (dealerships)

**\$9 Billion Cdn cumulative  
investment in assembly plants**

# Imported Vehicles in Japan's Home Market: Consumer Demand Profile

- Smaller models of up to 2,000 cc in engine capacity are the mainstay of Japan's passenger car market.
- European automakers have introduced models in a targeted response to the demands of Japanese consumers.

**Breakdown of Japan's Domestic Market for Passenger Cars, by Vehicle Class (cc) and Number of Models (in 2011)**



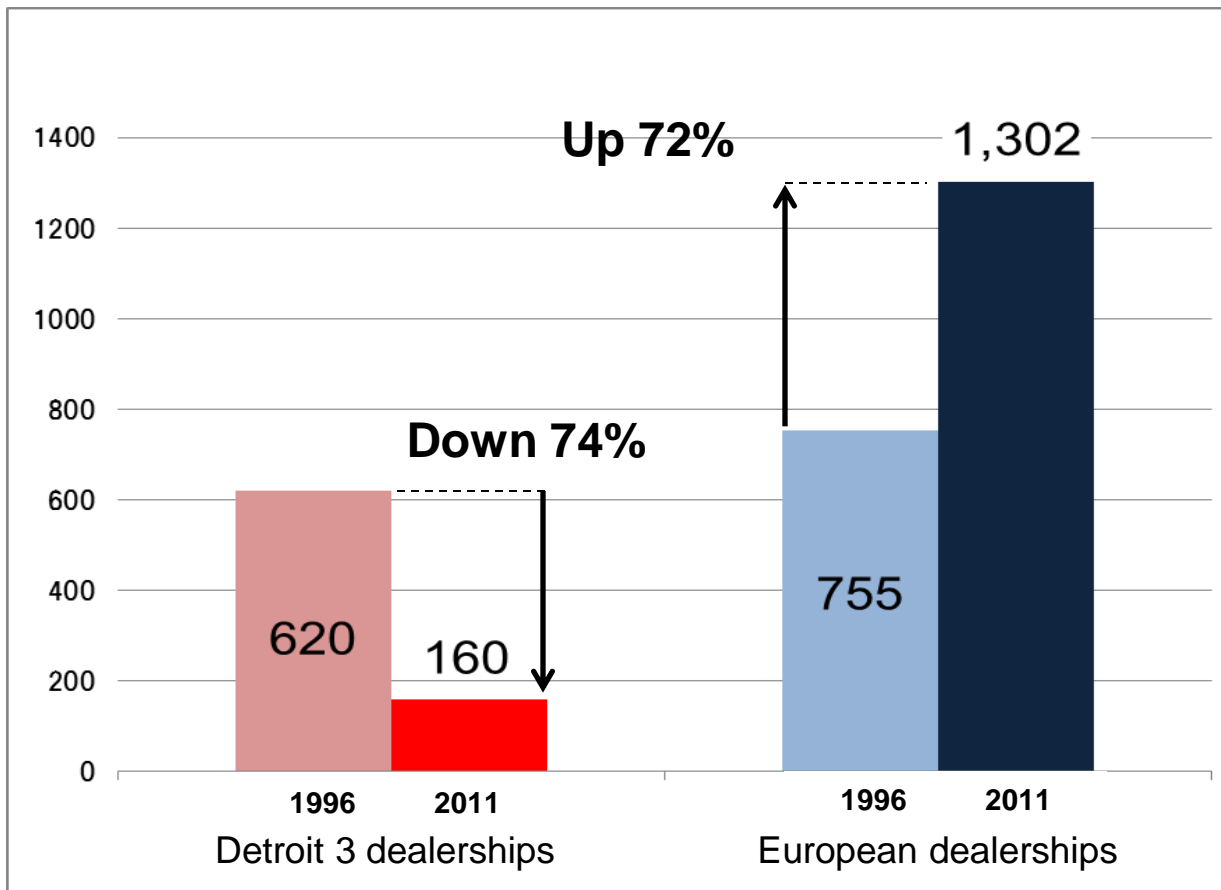


# Imported Vehicles in Japan's Home Market: Foreign Vehicle Dealership Penetration

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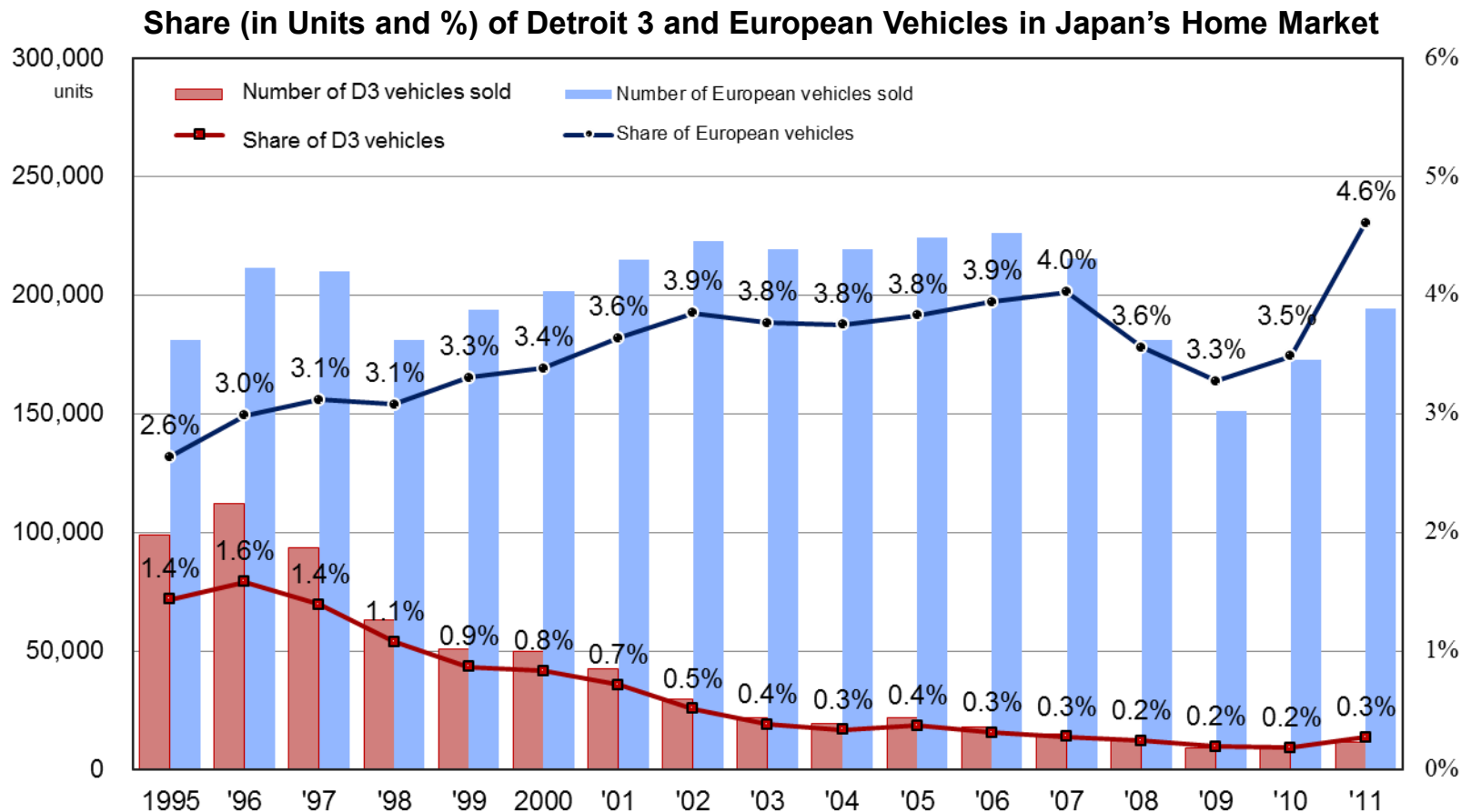
- The number of dealerships selling European vehicles has increased.
- In contrast, there has been a decrease in the number of dealerships selling Detroit 3 vehicles.

**Number of Detroit 3 and European Auto Dealerships in Japan's Home Market**



# Imported Vehicles in Japan's Home Market: Market Share

- The share of European vehicles in Japan's home market has steadily increased over the past 15 years.
- In contrast, the share of Detroit 3 vehicles has decreased over the same period.



Canada-Japan Economic Partnership Agreement  
Free Trade Drives Growth & Prosperity



Thank you!

For more information,  
[www.jama.ca](http://www.jama.ca)

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