2013 Canada-Japan Trade Symposium

Toronto, Canada

April 25, 2013

Opening Observations

- **The Auto Industry is highly important to the economies of Japan and Canada**
- **Canada & Japan share many common challenges**
  - strong currencies
  - low investment levels in the short term
  - rapid technological change
- **We support all activities that strengthen our countries in the global auto world**

Top 15 Countries

Light Vehicle Production

Country	2010	Rank		Country	2015	Rank
China	16,770,258	1		China	24,500,000	1
Japan	9,099,771	2		United States	10,921,072	2
United States	7,634,573	3		Japan	9,050,000	3
Germany	5,464,913	4		Germany	6,079,065	4
South Korea	4,185,591	5		India	4,850,000	5
India	3,241,799	6		South Korea	4,425,000	6
Brazil	3,168,323	7		Brazil	4,158,073	7
Spain	2,379,177	8		Mexico	2,832,323	8
Mexico	2,257,617	9		Russia	2,600,000	9
France	2,222,441	10		France	2,517,745	10
Canada	2,062,653	11		Canada	2,346,605	11
Thailand	1,633,937	12		Spain	2,301,913	12
United Kingdom	1,433,109	13		Thailand	2,125,000	13
Russia	1,392,242	14		United Kingdom	1,575,557	14
Turkey	1,066,199	15		Turkey	1,265,321	15
Total Top 15 Countrie	**64,012,603**				**81,547,674**	
% Total LV Production	**90.3%**				**90.0%**	
Total LV Production	**70,908,291**				**90,585,000**	

BRIC	**24,572,622**	**36,108,073**
	34.7%	**39.9%**

Top 15 OEMs (By Brand Owner)

Light Vehicle Production

Brand Owner	2010	Rank		Brand Owner	2015	Rank
Toyota Motor	7,503,758	**1**		Volkswagen	9,162,658	**1**
Volkswagen	7,449,789	**2**		Toyota Motor	9,086,693	**2**
General Motors	7,375,902	**3**		General Motors	8,942,123	**3**
Renault/Nissan	6,487,714	**4**		Renault/Nissan	7,820,135	**4**
Hyundai Motor Group	5,801,252	**5**		Ford Motor	7,083,840	**5**
Ford Motor	5,077,434	**6**		Hyundai Motor Group	6,651,303	**6**
Honda Motor	3,467,659	**7**		PSA/Peugeot-Citroen	4,164,269	**7**
PSA/Peugeot-Citroen	3,208,742	**8**		Honda Motor	4,029,715	**8**
Fiat Group	2,336,551	**9**		Fiat Group	2,981,745	**9**
Chrysler	1,572,015	**10**		Chrysler	2,332,151	**10**
Daimler	1,545,416	**11**		Daimler	1,962,582	**11**
BMW	1,473,898	**12**		BMW	1,954,854	**12**
Suzuki Motor	1,361,263	**13**		Changan Auto	1,750,196	**13**
Mazda Motor	1,360,956	**14**		Suzuki Motor	1,570,170	**14**
SAIC-Wuling	1,179,852	**15**		Mazda Motor	1,439,134	**15**
Total Top 15	**57,202,201**				**70,931,568**	
% Total LV Production	**80.7%**				**78.3%**	
Total LV Production	**70,908,291**				**90,585,000**	

Global Auto Industry

- The Auto Industry is truly a global industry – globally competitive
- Technological change is driving platform and powertrain consolidation
- OEMs require one engineering point but multiple production points
- Free trade optimizes the potential for global Centers of Excellence that drive cost efficiencies.

EPA - Auto Parts Sector

- **From a parts perspective – the EPA is a positive step forward**
- **Parts trade between Canada-Japan essentially duty free**
- **Cost competitiveness requires parts markers to be close to assembly plants**
- **Global Centers of Excellence can be cost effective**
- **EPA should Facilitate:**
    - **Investment /   Flow of people**
    - **Innovation /   Harmonization**

EPA – Short / Medium Term Impact

- **Little opportunity to incent vehicle exports from Canada**
- **Origin of Content Issues for Canada**
- **Supports engineering centers in Japan/Canada**
- **EPA could build relations to attract an assembly plant to Canada**
- **Creates opportunity / forum to deal with NTB’s as they may arise**

EPA – Good for Canada & Japan

- Supports global engineering development
- Fosters innovation / collaboration
- Economic partnerships open communication and discussions
    - Positions us for TPP
    - Regulatory / Standards Harmonization
- Any Program that grows both our economies is beneficial
- Canada and Japan have a long history of working well together

APMA

LEAD. REACH. CONNECT.

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