



Ontario: The Future of Green Auto Manufacturing is Here



Companies seeking the best environment to satisfy their criteria for green auto and alternative energy infrastructure, manufacturing and R&D, will find what they are looking for in Ontario. That's because companies locate their manufacturing and R&D wherever they find the best combination of cost-efficiencies, skilled talent, market access, and investment incentives and support for R&D.

With the recent introduction of the Green Energy Act, Ontario further demonstrates its commitment to creating a strong green economy in partnership with industry, especially auto manufacturing. We are actively encouraging investment by companies in the field of alternate fuel sources, such as batteries, and in electric and hybrid auto manufacturing.

Greening North America's Auto Powerhouse

Recent activities and progress in green auto manufacturing in Ontario include:

- Ford recently chose Ontario-based Magna International as its partner to build battery-electric vehicles for the North American market.
- India-based Tata Motors and Norway-based Miljø Grenland/Innovasjon chose to partner with Ontario-based ElectroVaya to manufacture batteries and electric cars using ElectroVaya's Lithium Ion SuperPolymer battery technology.
- Better Place, the world's leading mobility operator, recently announced a partnership with the government of Ontario to help bring an electric car network to the province and create a model for the adoption of electric cars in Canada.
- Ontario supports implementation of smart meters for electric grids by 2010.
- Initiatives are underway to improve infrastructure and foster an environment for adoption and growth of green auto, including the establishment of an electric vehicle (EV) Demonstration Center in Toronto, and the hosting of electric vehicle (EV) roundtables with industry and academic partners.

The Established Capacity Auto Companies Need to Succeed

Ontario has long been a leading automotive player in North America. Our industry is concentrated along a 260-mile corridor that stretches from Windsor to Oshawa. It's home to 13 light vehicle plants (cars and light trucks) and 2 medium/heavy truck plants, operated by six of the world's top auto makers. Ontario is home to 400+ innovative parts manufacturers and more than 100,000 highly skilled and productive workers.

Ontario is the largest sub-national production jurisdiction for light vehicles in North America. We make about 1 in 6 of North America's light vehicles (in 2008, Ontario made 2,047,022 light vehicle units out of the 12,770,627 light vehicle units made in North America). Ontario also hosts a network of world-class parts suppliers to the auto industry, including companies like Magna, Faurecia, Autoliv, and NTN Bearing.

Beyond quantity, Ontario also offers quality. Toyota, for example, manufactures its luxury Lexus RX 350 here – the only place in the world outside Japan with a Lexus mandate.

World-class Innovation and R&D

Researchers in our networks of universities and specialized institutions are conducting leading research in advanced manufacturing and alternative and renewable energy. For example AUTO21, a Network of Centres of Excellence, is enhancing Canada's position as a leader in automotive research

and development. Partnering the public and private sectors, AUTO21 currently supports more than 300 researchers across Canada working on 54 auto-related projects in a variety of areas. The General Motors of Canada Automotive Centre of Excellence at the University of Ontario Institute of Technology, is a state-of-the-art research facility created to further research and development in the Canadian automotive industry. And the Waterloo Centre for Automotive Research (WatCAR), an automotive research centre at the University of Waterloo, is focused on leading-edge studies to enhance automotive innovation and competitiveness.

Generous Incentives for Investment

Green auto manufacturing and alternative energy are among the most important future directions that the Ontario government is investing in. Ontario offers generous investment incentives including:

- Our \$1.15 billion Next Generation of Jobs Fund, which offers grants of up to 15% for R&D and manufacturing of batteries, EVs and hybrid vehicles and related parts and technologies.
- The \$500-million Advanced Manufacturing Investment Strategy (AMIS), which provides repayable loans, interest free, for up to five years.

Canada is home to one of the most favourable R&D tax environments in the world. For example, Canada's Scientific Research and Experimental Development (SR&ED) tax incentive program, combined with Ontario incentives, can potentially cut the cost of \$100 in R&D to less than \$43.

Additional incentives include our Innovation Demonstration Fund (IDF) and Apprenticeship Training Tax Credit Program.

People Powered and Offering Unparalleled Market Access

Our talent pool is one of the best educated in the world. A higher percentage of the Ontario workforce, 59%, has completed their post-secondary education than in any other G7 country.

NAFTA (the North American Free Trade Agreement) gives Ontario-based auto manufacturers virtually duty-free access to a huge market (420 million people and \$16+ trillion GDP).

Contact us

For more information about green auto manufacturing investment opportunities in Ontario, visit us on-line at: www.investinontario.com

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