



## The BIG benefits of Canadian car sales to the Detroit Three automakers

Canada is home to a world-class auto manufacturing industry. Our auto workers consistently produce some of the highest quality vehicles. Along with our highly productive workforce and well-developed automotive infrastructure, there is little wonder Canada continues to be one of the largest and most important auto producing nations in the world.

As a result, Canada's automakers, including the Detroit Three (Fiat Chrysler, Ford and General Motors) benefit from this strong, productive track record. But that's not all they benefit from. Apart from Canada's capacity for quality car-making, car companies have also benefitted from major Canadian car sales and big profits. In fact, Canada is a major car-buying nation – and this buying power has contributed to the success of the Detroit Three automakers' bottom lines.

Here are three examples of how Detroit Three automakers derive major gains from Canadian car sales:

### 1. Canada is a major destination for Detroit Three vehicles

- In 2015, car-buyers in Canada purchased 835,000 Detroit Three vehicles, making it the fifth-largest destination for Fiat Chrysler, Ford and General Motors cars and light trucks in the world (and the third largest among G7 nations).

### 2. Detroit Three car sales still dominate the Canadian market

- Despite a diminished share of total Canadian car sales (which represented about two-thirds of the Canadian market two decades ago) the Detroit Three still command nearly half (43 per cent) of the market for new vehicles in Canada. This dominant market position helps generate approximately \$30 billion in sales, each year, for the three automakers.
- In fact, Fiat Chrysler (293,061 vehicles sold), Ford (278,531 vehicles sold) and General Motors (263,333 vehicles sold) hold the top three spots for vehicles sales in Canada in 2015, ahead of Toyota, Hyundai, Honda and Nissan.

Top 10 global sales markets for Detroit Three vehicles		
Rank	Country	2015 Vehicle sales
1	United States	7.9M
2	China	4.7M
3	Brazil	1.1M
4	U.K.	856K
5	<b>Canada</b>	<b>835K</b>
6	Italy	724K
7	Germany	628K
8	Mexico	433K
9	France	299K
10	Turkey	289K

### 3. Canadian car sales generate big profits for the Detroit Three

- North America is the major profit centre for Detroit Three automakers, representing roughly 90 per cent of their total global earnings (before interest and taxes) – outpacing their performance in Europe, South America and the Asia-Pacific
- Although FCA, Ford and General Motors do not publicly report earnings and profits specific to Canada, we can estimate (based on Canada's share of vehicle sales and North American earnings) a combined operating profit in the range of \$2.5 billion for 2015. Canada is clearly a major contributor to the automakers' success.

Canada plays a vital role in the ongoing success of the Detroit Three automakers, both by boosting productive capacity and bolstering profits. Canada continues to be a key stakeholder in the auto industry, and a long-standing partner with the Detroit Three as well as other global automakers who have set down roots here. Our collective contribution to the success of these companies is something that should be top-of-mind for automakers when major investment, research and development decisions are made.

**Sources:** Vehicle sales: Ward's Automotive, Reference Center; sales revenue: Unifor research, Statistics Canada CANSIM Table 079-0004; profits: Unifor research, based on company financial reports.