

# Improving the Economic and Environmental Performance of the North American Automotive Industry Supply Chain

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Toronto, Ontario



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# Agenda

- Opening Comments and Overview of the CEC North American Auto Supply Chain Project
- Presentation on the Government of Canada's Chemicals Management Plan
- Strategic Discussion on Opportunities to Improve the Economic and Environmental Performance of the Automotive Industry Supply Chain in Canada
- Closing Comments
- Lunch for all participants



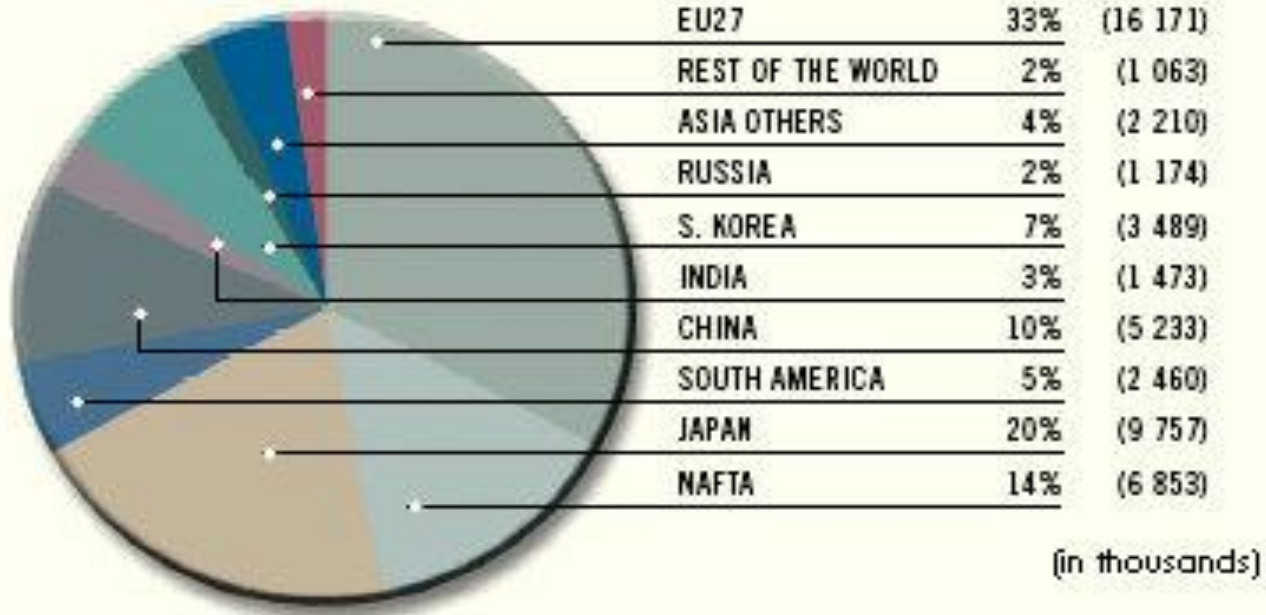


## Context

### NAFTA as % of world car production

#### World passenger car production (% share) 2006

source: ACEA - European Automobile Manufacturers' Association





## WORLD MOTOR VEHICLE PRODUCTION BY COUNTRY AND TYPE

ALL VEHICLES	2009	2010	% change
<b>EUROPE</b>	<b>17,055,842</b>	<b>19,822,626</b>	<b>+16.2</b>
<b>AMERICAS</b>	<b>12,562,420</b>	<b>16,641,416</b>	<b>+32.5</b>
<b>NAFTA</b>	<b>8,782,931</b>	<b>12,177,590</b>	<b>+38.7</b>
CANADA	1,490,482	2,071,026	+39.0
MEXICO	1,561,052	2,345,124	+50.2
USA	5,731,397	7,761,440	+35.4
<b>ASIA/OCEANIA</b>	<b>31,760,155</b>	<b>40,900,579</b>	<b>+28.8</b>
<b>AFRICA</b>	<b>413,451</b>	<b>493,084</b>	<b>+19.3</b>
<b>TOTAL</b>	<b>61,791,868</b>	<b>77,857,705</b>	<b>+26.0</b>



# Facts & trends

- Mexico is now the 9<sup>th</sup> largest vehicle producer in the world – up from 10<sup>th</sup> in 2009;
- Mexico is the largest exporter of auto parts to the US > greater than Canada & Japan;
- Auto industry accounts for 18% of Mexico's manufacturing GDP;
- In Canada production of motor vehicle increased by 22.3% in 2010;
- In the 1<sup>st</sup> half of 2010, Canada's manufacturers saw revenue up 61.5%.



# Project Summary

- Re-engage key automotive companies for the development and implementation of green supply-chain programs across North America
- Built on the success of the work started in the United States, to allow both Canada and Mexico to benefit from initial efforts in the United States and build trilateral cooperation
- Share information and best practices that will enhance the environmental and economic performance within the North American auto manufacturing and parts supply chain.



# Environmental Vision

Reduce environmental impacts of the automotive manufacturing supply chain while enhancing competitiveness through engaging experts to facilitate the development and implementation of formalized Automotive Green Supply Chain programs in Canada, Mexico and the United States.





## Short Term (Timeline: spring 2011 - spring-summer 2012)

- Organize a core of automotive manufacturers and suppliers to green their supply chains within Canada and Mexico;
  - September 2011, Tennessee, United States;
  - December 2011, Mexico City, Mexico;
  - December 2011, Toronto, Canada;
- Exchange of resources, information, and tools within the sector towards greening the supply chain between manufacturers and suppliers





## Mid Term (timeline - starting summer-fall 2012 and continuing onwards)

- Create and expand business-driven *self-supported auto supplier partnerships in North America* (Canada, Mexico and the United States)
- Reduce environmental impacts and improve economic capacity through activities adopted by auto supplier partnership programs
- Reduce the environmental footprint of the automotive supply chain and improve competitiveness for the automotive sector





# Lean and Green Assessment Opportunity

Conduct a 'lessons learned' initiative to share amongst automotive suppliers and manufacturers engaged in the supply chain program. This initiative will involve a three-day training effort at a selected facility. An expert will visit the site, conduct an assessment, and work with the facility staff on how to identify opportunities to locate materials, energy, water and utility savings, and improve key processes within the facility.

It will also provide strategies and tools for integrating environmental factors into the supply chain program, showing how to bridge the gap to reduce and eliminate waste of all kinds. Lessons learned from the training effort will subsequently be documented and shared amongst automotive suppliers and manufacturers. Please contact Steve Hellem if your company would be interested in this assessment opportunity.

*Thank You/Merci/Gracias*

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Three countries. One environment.

# Strategic Discussion

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