

A Profile of the Automotive  
and Aerospace Clusters

# auto aero focus



**MISSISSAUGA**

*Leading today for tomorrow*

# Accelerating Manufacturing

The automotive and aerospace sectors are the manufacturing engine of Ontario's economy. Mississauga is strategically located in the centre of the second largest automotive cluster in North America and home of Toronto Pearson International Airport. Consequently, both the automotive and aerospace sectors are driving forces for the economic well-being of our City.

Mississauga is committed to strengthening our growing automotive and aerospace sectors and enhancing the competitive ability of our automotive companies.

The sector's importance to our community is highlighted by our City's involvement with organizations dedicated to the enhancement of automotive and aerospace sectors. These include our participation with the Ontario Mayors for Automotive Investment (OMAI), a collective of Ontario Mayors and staff who advocate for the protection and growth of the automotive sector; and with the Advanced Manufacturing Program, as part of the Greater Toronto Area Economic Development Partnership, whose role is to undertake a targeted approach to identify, meet, educate and attract investment from corporate location decision makers in the global advanced manufacturing industry.

In addition, Mississauga automotive and aerospace companies benefit from strong support from the provincial and federal governments, including the Ontario government's Automotive Investment Strategy, and the Advanced Manufacturing Strategy Program. Both programs are designed to encourage research and innovation.

Mississauga has 10 major universities and 11 technical colleges within commuting distance. Many of these facilities offer training in skills essential to the auto and aero sectors, including advanced manufacturing and design technologies for leading-edge auto manufacturing projects.

Mississauga's fibre optic and communications infrastructure is clearly one of the best in North America, providing integral services to the automotive and aerospace sectors. The Mississauga Information Communications Technologies (ICT) cluster - 850 companies strong - continues to be a major business enabler, powering advances in the automotive and aerospace sectors by providing the technology and support for true business innovation.

## Our Advanced Manufacturing Community

Mississauga's automotive manufacturing cluster and the cluster of aerospace manufacturing is home to many of the world's leading companies, including:

### Automotive Manufacturing :

- Affinia Brake Parts Canada Inc.
- Antomax Automotive Technologies (a division of Martin Rea International Inc.)
- C T S of Canada Ltd.
- Collins & Aikman Plastics Ltd.
- Daimler Chrysler Commercial Buses North America
- Dana Thermal Products
- Dominion Spring Industries Corp.
- Faurecia Automotive Seating Canada Ltd.
- FMT (a division of Martin Rea International Inc.)
- Industrial Tires Ltd.
- Innovative Cooling Dynamics
- Lear Corp.
- Magnifoam Technology International Inc. (MTI I)
- Mississauga Seating Systems
- MJ Manufacturing
- Nissan Canada Finance
- Petro-Canada
- Plastcoat
- R B & W Corporation of Canada
- Rollstar Metal Forming (a division of Martin Rea International Inc.)
- S M C Pneumatics (Canada) Ltd.
- Stackpole Automotive Gear Division
- Stackpole Ltd.
- The Woodbridge Group
- Wheeltronic Ltd.

### Aerospace Manufacturing :

(aerospace, manufacturing, airline and airport and related (AAMA))

- Aviation Representatives Inc.
- AvWind International Aviation Rewind & Support
- B & R Machine Co. Ltd.
- Bodycote Ortech Inc.
- CANCOM Canadian Satellite Communications Inc./Star Choice
- Carleton Life Support Technologies Ltd.
- Curtiss-Wright Controls (InDal Technologies Inc.)
- Cyclone Manufacturing Inc.
- Exactatherm Ltd.
- Exceaire
- Field Aviation Company Inc.
- General Electric Canada
- Henkel Loctite Canada Inc.
- Honeywell
- I-3 Communications Spar Aerospace Ltd.
- Leavens Aviation Inc.
- Luxell Technologies Inc.
- Magellan Aerospace Corp. (Orenda)
- Magnifoam Technology International Inc. (MTI Global)
- Pratt & Whitney Canada Inc.
- Quality Systems Design and Manufacturing
- Samuel Son & Co., Ltd.
- Technisonic Industries LTD.
- Tube-Fab Ltd.
- Wright International Aircraft Maintenance, Services Inc. Training Centre

# Compelling Incentives for Research and Development

## R&D and Investment Incentive Highlights:

Canada is expanding its capacity for automotive and aerospace R&D and innovation, and is investing heavily in spurring and nurturing performance.

- Provincial and federal tax credits can cut the after-tax cost of a \$100 R&D expenditure to \$40.24
- A 100% deduction of all eligible R&D costs, including capital equipment; R&D deductions can be carried forward indefinitely
- A 20% investment tax credit on scientific research and experimental development expenditures
- For small, Canadian controlled private corporations, the investment tax credit increases from 20% to 35% - on the first \$2 million of R&D
- The investment tax credit can offset 100% of the federal tax payable in the year, or can be carried back 3 years or forward 10 years.
- The Ontario government has earmarked \$230 million for R&D for 2005-2009, to be matched by a further \$345 million in federal government and private sector funding.
- An Ontario corporation can claim tax incentives even if its R&D costs are covered, in whole or in part, by a foreign corporation or government
- Ontario Automotive Investment Strategy Program (OAIS): The \$500 million, five-year OAIS program, introduced in April 2004, is designed to support large-scale capital projects that contribute to the long-term competitiveness of the automotive industry.
- Ontario Advanced Manufacturing Investment Strategy Program (OAMIS): The OAMIS program is a \$500 million multi-year repayable loan program intended to encourage eligible companies operating in Ontario to transform processes and adopt leading edge technologies that will increase productivity and competitiveness.

It's clear that Federal and provincial incentives are making a positive impact. R&D expenditures in the City of Mississauga approached \$1.5 billion in 2004. As part of the GTA, we are in the midst of a critical mass of research activity; we attract the best and brightest minds from all over the world.



## Our Strategic Location

The automotive and aerospace sector benefit from Mississauga's location in the heart of Canada's major consumer and industrial market. Mississauga is in the centre of several automotive manufacturing and assembly plants with a significant number of auto parts and component suppliers accounting for nearly 70 per cent of an automotives content value. The aerospace sector benefits directly from the location of Toronto Pearson International Airport which is located in Mississauga. Strategically located in the hub of Ontario's thriving Greater Toronto Area (GTA), we offer direct access to North America's vast, and quickly growing, 420 million consumer base.

We work hard to build and foster a vibrant business community. Mississauga maintains low costs for property taxes, services and utilities. These costs are noticeably competitive, ranking among the lowest of the major cities in Canada.

We have the room to accommodate growing businesses. Competitive lease rates and land prices for high quality industrial land and buildings, here in the heart of the GTA, are a key reason for Mississauga's automotive and aerospace sector growth. With more than 3,000 acres of available land for business development in 50 private sector parks, Mississauga offers many location choices. We are able to sustain further business influx, facilitating increased business-to-business opportunities.

Mississauga's efficient, and easily navigated public transit system provides companies with access to a highly skilled and educated labour force of 3.1 million employees from across the GTA. Mississauga alone employs more than 440,000 people.

We are located at the centre of one of the most important - and accessible - transportation hubs in North America. Our business community enjoys ready access to the largest and busiest airport in Canada; is serviced by two national railway lines, seven major highways, and shipping access via nearby ports through to the St. Lawrence Seaway to the Atlantic Ocean. In drive time, we are only 90 minutes from the U.S. border and part of the thriving North American Free Trade Market.

## Mississauga's Business Community: Convergence of Ideas

Our 52,000-strong business community is diverse and includes many Fortune 500 headquarters and leading clusters in the information and communications technologies, biotechnology and financial services. For the auto/aerospace community, this diversity offers potential for ongoing convergence of ideas and resources.

We are also home to Canada's third largest Financial, Insurance and Real Estate (FIRE) cluster. Our location, adjacent to the financial capital of Canada, allows for easy access to various venture capital and other financing options that invest in auto and aero sector firms and spin-off businesses.

In addition, the ICT sector benefits from Mississauga's well-spread and highly-developed telecommunications network and infrastructure. Existing fibre optic networks provide service to all business parks, and offer bandwidth scalability on a simplified service portfolio.

Mississauga is well covered by several wireless service providers, offering 100 per cent integrated voice and data network services.

# Mississauga's Advanced Manufacturing Cluster: Automotive/Aerospace Growth and Success

The dynamics of our extraordinary environment and business community has spurred exceptional growth in the advanced manufacturing sector in Mississauga.

Mississauga's automotive parts manufacturing industry is ranked as the second largest in Ontario. We are an integral part of the Greater Toronto Area (GTA) automotive community, which — including Mississauga — consists of the largest automotive cluster in Canada. We rank among the largest such clusters in North America.

Mississauga's aerospace cluster, as part of the GTA aerospace cluster, is the second largest in Canada.

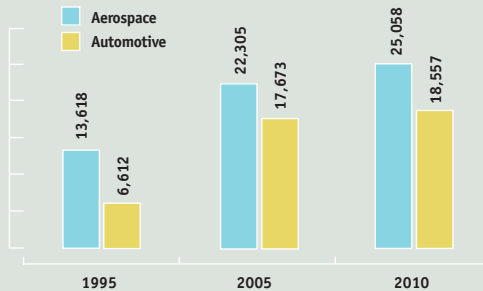
Our automotive and aerospace sectors are experiencing rapid growth: the employment in the automotive sector has grown from 6,612 in 1995 to 17,673 in 2005, an increase of 167 per cent over 10 years. The employment in the aerospace sector has grown from 13,618 in 1995 to 22,305 in 2005, posting a growth rate of 64 per cent over 10 years. The positive contribution by these sectors to the Mississauga region is highlighted by their 2005 GDP contributions, including the multiplier effect, of an estimated \$2.30 billion (automotive) and \$ 3.69 billion (aerospace).

The strong and expanding Mississauga automotive and aerospace sectors allows for sharing of resources and ongoing opportunities for convergence. The Mississauga advanced manufacturing cluster continues to be a major catalyst for growth, powering advances in the advanced manufacturing sector and synergies for further innovation.

## ADVANCED MANUFACTURING GROWTH BY SECTOR

Source: City of Mississauga Employment Database, 1995, 2005

\*2010 data is forecasted





Mississauga's dynamic auto/aero cluster is a thriving sector, which benefits from:

- Compelling R&D and Investment Incentives
- Choice of Locations
- Competitive Costs
- Highly Skilled Labour Force
- Strategic Location with Ready Access to Consumer and Industrial Markets
- Convergence of Ideas and Resources within an Innovative Environment

Come, be a part of our growing auto/aero sectors. Experience the spirit of innovation.

Mississauga, Ontario, Canada

A Profile of the Automotive  
and Aerospace Clusters

# auto aero<sup>focus</sup>

Contact the Business Experts  
Economic Development  
City of Mississauga  
300 City Centre Drive  
Mississauga ON L5B 3C1  
Tel: 905-896-5016  
Toll-free 1-800-456-2181  
Fax: 905-896-5931  
[www.mississauga.ca/business](http://www.mississauga.ca/business)

For more information about Mississauga's auto/aero sector, take a look at our comprehensive study, *Mississauga: Strength in Advanced Manufacturing - A Study of Automotive and Aerospace Clusters*, available on-line.

