

\$1.2 MILLION INVESTMENT IN TOOLING AND AUTO PARTS INDUSTRY

April 24, 2008

The investment announced today is the latest part of the McGuinty government's plan for a strong automotive and manufacturing industry.

The \$500-million [Ontario Automotive Investment Strategy](#), launched in April 2004, attracted more than \$7 billion in new investments and safeguarded thousands of high-value jobs. Based on this successful model, the government recently launched the \$1.15 billion [Next Generation of Jobs Fund](#) to attract further investment across a broad range of industries.

The funding announced today came from the Communities in Transition program, an initiative to assist communities and industry sectors to respond to the challenges of global economic restructuring.

Descriptions of the two projects are provided below:

Tooling industry innovation and software skills training

- Funding and project implementation – \$600,000 provided to the [Canadian Tooling and Machining Association \(CTMA\)](#).
- The Machine, Tool, Die and Mould (MTDM) sector is experiencing significant challenges including increased competition from China and other low cost countries, rapid developments in technology (demanding significant investment to keep up), increased complexity of customer requirements and unprecedented exchange rate fluctuation.
- By adopting industry-leading software, skills and work practices, Ontario's tooling companies will increase their ability to capture complex tooling work and increase sales and profitability.
- The project consists of four steps:
 - Assessment of the shortfalls in current software skills and training programs
 - Working with software suppliers to identify possible solutions to issues
 - Testing and evaluating software systems brought forward and
 - Development and delivery of new training programs to address shortfalls in software skills.
- The project comes about following two roundtable discussions with tooling companies convened by the Minister of Economic Development and Trade, Sandra Pupatello. The roundtables identified that improving the use of specialized design, manufacturing and estimating software would be a major benefit to the industry.

Cost competitive auto parts manufacturing

- Funding and project implementation – \$600,000 provided to the [Automotive Parts Manufacturers' Association \(APMA\)](#).
- The rapid appreciation of the Canadian dollar, the growing trend of auto parts imports from lower cost countries, and declining production volumes from traditional vehicle manufacturing customers have presented significant challenges and downward cost pressures for Ontario auto parts companies.
- In fact, many companies are determining how to reduce their cost structures by between six to 10 per cent while maintaining the capacity to invest in research and development and build for the future.
- Key elements of the project:
 - Engaging specialized consultants with expertise in manufacturing cost reduction and business development with Japanese and European vehicle manufacturers
 - Pilot cost reduction projects at a number of auto parts companies, with the results shared across the broader Ontario auto parts sector and
 - Opportunities for further auto parts companies to participate in projects, with support from the province.
- The targeted cost reduction and business development projects will enable Ontario's auto parts companies to improve competitiveness and profitability, in turn securing jobs.

Find out more about the Ontario government's support for a strong economy at www.ontariocanada.com.