

Can Windsor cash in on Trump's 'America First' jobs plan?



DOUG SCHMIDT, WINDSOR STAR

[More from Doug Schmidt, Windsor Star](http://WINDSORSTAR.COM/AUTHOR/DOUG-SCHMIDT-WINDSOR-STAR) (HTTP://WINDSORSTAR.COM/AUTHOR/DOUG-SCHMIDT-WINDSOR-STAR)

Published on: January 24, 2017 | Last Updated: January 24, 2017 9:15 PM EST



U.S. President Donald Trump, left, greets Fiat Chrysler CEO Sergio Marchionne prior to a meeting with automobile industry leaders in the Roosevelt Room of the White House in Washington, D.C., Jan. 24, 2017. SAUL LOEB / AFP/GETTY IMAGES

Rather than instilling fear, President Donald Trump's "America First" economic push could be a potential boon for Canada's automotive and manufacturing sectors, some observers say.

"It's not out of the realm of possibility (the Trump administration) could be advantageous for a lot of our companies," said Flavio Volpe, president of the Automotive Parts Manufacturers' Association.

Between Trump's election in November and his inauguration last week, Volpe said his members were nervous about the level of uncertainty and by some of candidate Trump's pledges during the U.S. presidential campaign, including a 35-per-cent border tax on some imported goods.

But Volpe said what's being recognized now is that one of the Trump administration's top objectives is to see major manufacturing restored in some rust-belt states that were key to the Republican's election victory, including Michigan and Ohio.

"Yes, I think there's opportunity for us — how can we fit into President Trump's agenda?" said Matt Marchand, president and CEO of Windsor-Essex Regional Chamber of Commerce. The answer, he said, is to show the new administration how intertwined the Great Lakes economies are and how mutually beneficial it can be to maintain and grow that relationship.

Trump hosted a breakfast meeting Tuesday with the heads of General Motors, Ford Motor Co., and Fiat Chrysler Automobiles. He's given them 30 days to report back on ideas of how to boost American manufacturing. Prior to the meeting, Trump demanded on Twitter that automakers build new factories in the U.S.

"I want new plants to be built here for cars sold here," his tweet said. He has warned of a "substantial border tax" on companies that move manufacturing out of the country and promised tax advantages to those that produce domestically.

For more than two decades, Mexico has been an oasis for the auto industry, offering cheap labour and access to dozens of markets through free-trade deals. Whitman says Detroit automakers can't build small cars profitably in the U.S., where a unionized auto worker can make \$58 an hour in wages and

benefits. By comparison, a Mexican auto assembly worker makes a little more than \$8.

That helps to explain why automakers have announced \$24 billion in Mexican investments over the last six years, according to the Center for Automotive Research, a Michigan think-tank. In all, \$50.5 billion in vehicles and \$51 billion in auto parts were shipped to the U.S. from Mexico in 2015, U.S. government data show.

Volpe said his members are feeling assured by what the top people around Trump are saying, including at the congressional confirmation hearings for his cabinet picks. Prospective Secretary of Commerce Wilbur Ross, for example, is a billionaire with a background in auto parts manufacturing.

When it comes to the important automotive sector, Volpe said there are “seamless supply chains” between Canada and the United States. Marchand said about 35 per cent of Windsor and Essex County’s gross regional product — and, with it, up to 20,000 direct jobs — is tied in with the automotive sector, and “most of that is connected to the U.S.”

Marchand said leaders within the chambers of commerce on both sides of the border are well-connected with top administrators and politicians, “and we’re aggressively offering to assist and support.”

And Trump’s focus on getting quick results in manufacturing and jobs in the Great Lakes region brings another potential benefit to the most important sector of the local economy, according to Marchand.

“It’s going to bring focus to the auto sector at the highest level of the Canadian government,” he said.

While there’s “danger for sure” — and Canada needs to tread carefully should Trump reopen trade agreements like NAFTA as pledged — America’s targets are Mexico and China, said Tony Faria, an auto industry analyst at the University of Windsor. He said Trump and his advisers have made recent statements that the U.S. has “no particular dispute with Canada as our trade is fairly balanced.”

And while Trump can’t simply tear up trade deals or ignore rules overseen by the World Trade Organization or other international regulatory bodies, he’s been successful at “badgering” automotive companies to invest near Windsor’s doorstep, said Faria, adding that has potential benefits for this

side of the border. About half of all auto parts manufactured in Canada are shipped to the U.S., he said.

But Faria cautions that there is still plenty of reason for Canada to remain cautious: "At this point everything is speculation because we don't know what will happen under Trump."

— *With files from Associated Press*

dschmidt@postmedia.com (<mailto:dschmidt@postmedia.com>)

twitter.com/schmidtcity (<http://twitter.com/schmidtcity>)

Windsor Flyers



Comments

We encourage all readers to share their views on our articles and blog posts. We are committed to maintaining a lively but civil forum for discussion, so we ask you to avoid personal attacks, and please keep your comments relevant and respectful. If you encounter a comment that is abusive, click the "X" in the upper right corner of the comment box to report spam or abuse. We are using Facebook commenting. Visit our FAQ page ([facebook-commenting-faqs](#)) for more information.

0 Comments

Sort by Oldest



Add a comment...

[Facebook Comments Plugin](#)