



Unifor expresses disappointment in GM's US\$3.6B Mexico investment

Union concerned with "avalanche of new investment announcements received by Mexico in last year"

TORONTO—The union representing workers at General Motors Co. (GM) expressed disappointment with the automaker's decision to invest US\$3.6 billion in Mexico, doubling its production capacity in the country.

"Unifor is disappointed by this announcement but our determination to work with GM to ensure it has a strong future in Canada is unwavering," Unifor national president Jerry Dias said in a statement released by the union.

Unifor said GM ranks Canada ranks No. 6 in its global manufacturing operations, but added it is "concerned" about "the avalanche of new investment announcements received by Mexico in the last year," not just from GM, but from the Volkswagen Group, BMW AG, Daimler AG, Kia Motors Corp., Nissan Motor Co., Ltd., Mazda Motor Corp. and Honda Motor Co., Ltd.

Soon, the union said, more than one of every five vehicles built in North America will be produced in Mexico.

Canada already experiences a significant automotive trade deficit with Mexico (equal to \$9 billion in 2013, and projected to be more than \$10 billion this year). The deficit is a result of the fact that the industry in Mexico is oriented to exports, but Mexicans are paid so low they can't buy Canadian-made products. Canada imports close to \$15 in auto products from Mexico, for every dollar Canada exports to Mexico.

The *Automotive News*, quoting Mexican Economy Minister Idefonso Guajardo, said

Mexico is now the world's seventh-largest auto producer.

"Canada already experiences a significant automotive trade deficit with Mexico," the union's statement reads. "The deficit is a result of the fact that the industry in Mexico is oriented to exports, but Mexicans are paid so low they can't buy Canadian-made products."

Still, Unifor said it confident GM "recognizes the competitiveness" of Canada, and is optimistic the automaker is committed to production in the country long-term.

"The bottom line is that Canada has many advantages to offer GM for high-quality, competitive, profitable production," Dias said. "The productivity and quality awards won at Canada's plants are unmatched anywhere in GM's global operations."

The union also called on the federal and Ontario governments, which still own a combined seven per cent of GM as part of bailout packages dating back to the recession, to "play a more active role in ensuring" the automaker stays put.

"Today's announcement is a call to action for the federal and provincial governments to play a more active role in ensuring GM's long-run presence in Canada," said Dias. "Canadian workers and suppliers and communities will do everything we can to make our factories the most high-quality and productive in the world, and highly profitable.

"But we cannot match Mexican wages—nor should we even try to. We need a national auto strategy and sensible trade agreements, not a one-way street like (the North American Free Trade Agreement) has become."

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