Helping Manufacturers Invest More in Their Businesses

As part of the 2023 Budget, the government announced the Ontario Made Manufacturing Investment Tax Credit — a 10 per cent refundable corporate income tax credit for eligible investments in buildings, machinery and equipment for use in manufacturing or processing in the province. The credit is available to claim for qualifying corporations and provides up to $2 million per year for eligible investments.

Over the first four years of the incentive, from 2023–24 to 2026–27, the credit will provide Ontario businesses with estimated income tax relief of approximately $1.1 billion. By lowering costs for Ontario manufacturers, the government is helping local manufacturing companies invest and expand, so the products of the future get made right here in Ontario by Ontario workers.

Supporting Small and Medium-Sized Businesses Through the Regional Development Program's Advanced Manufacturing and Innovation Competitiveness Stream

As manufacturers faced challenges from growing international competition and supply chain disruptions, the government acted by launching the $40 million Advanced Manufacturing and Innovation Competitiveness (AMIC) Stream in January 2022, under the Regional Development Program. This stream provides funding support to advanced manufacturers provincewide, including those in the automotive, aerospace, chemical, life sciences and steel sectors,with a focus on small and medium-sized enterprises. It also provides access to a range of complementary services and supports, including advisory services that help these businesses navigate other government programs.

To continue to create an environment that attracts investments to help grow the manufacturing sector, the government is providing additional funds to enhance the AMIC Stream. This will support current program demand by providing more firms with the financial support and tools needed to improve competitiveness and productivity while reinforcing essential supply chains.

Building a World-Leading Electric Vehicle and Battery Supply Chain

The existing vehicle assembly and automotive parts production industries in Ontario directly support nearly 100,000 workers, as well as hundreds of thousands of indirect jobs throughout the auto supply chain, including over 700 parts firms as well as over 500 tool, die and mould makers. The government has taken meaningful action to help rebuild Ontario's automotive sector, revitalize manufacturing in the province and position the sector for success. Right here in Ontario, manufacturers are making new investments across the emerging electric vehicle (EV) supply chain to help the province become a North American hub for building the cars of the future and create

more good-paying jobs. In 2023, Ontario was responsible for shipping 90.8 per cent of Canada's international exports of automobiles and parts, with 96.4 per cent of these going to the United States. It is essential that the federal and Ontario governments work together to protect access to the market in the United States.

Over the last three years, Ontario has attracted more than $28 billion in transformative automotive and EV battery-related investments from global automakers, parts suppliers, and EV battery and materials manufacturers, which are expected to create more than 12,000 new jobs. By supporting these investments, the government is helping to build Ontario's end-to-end EV supply chain to position the province as a global player in this emerging industry. Recent significant EV supply chain investments have been made in EV production, batteries and battery components, as well as EV parts.

Electric Vehicle Production

General Motors of Canada is investing more than $2 billion on multiple projects, including transforming the company's Ingersoll CAMI Assembly manufacturing plant to deliver its all-electric commercial vehicle brand BrightDrop. The new facility at its CAMI Assembly in Ingersoll will begin building battery modules in the second quarter of 2024, after converting the plant from traditional vehicle manufacturing to all-electric commercial delivery vehicle production.

Ford Motor Company is investing $1.8 billion in its Oakville Assembly Complex to transform it into a high-volume hub of EV manufacturing, with the first EVs expected to be produced in 2025. The plant directly employs over 3,000 people and will be modernized with a flexible manufacturing system able to accommodate multiple battery electric vehicle models, including the installation of a battery pack assembly line.

Batteries and Battery Components

Volkswagen is creating 3,000 jobs and investing $7 billion to establish its first overseas EV battery cell manufacturing plant in St. Thomas, Ontario. The plant will be completed in 2027 and produce battery cells for up to one million EVs per year.

Stellantis N.V. and LG Energy Solution are partnering to support an estimated 2,500 jobs and invest more than $5 billion towards the NextStar Energy EV battery manufacturing plant in Windsor. The plant is expected to be fully operational in 2025 and would be the first large-scale, domestic, EV battery manufacturing facility in Canada.

Umicore plans to create 600 new direct jobs and invest more than $2.7 billion to build North America's first industrial-scale cathode and precursor materials plant in Loyalist Township. In the project's first stage, the company will create these new direct jobs, in addition to 700 co-op positions for students that will be created throughout the project, making Umicore one of the largest private employers in Eastern Ontario.

Electric Vehicle Parts

Magna International is adding more than 1,000 jobs and investing $471 million, supporting the opening of a new EV battery enclosure facility in Brampton, while also expanding its existing automotive manufacturing facilities in five other cities in the province: Guelph, Windsor, Belleville, Newmarket and Penetanguishene.

Mitsui High-tec (Canada) Inc. is supporting 104 highly skilled jobs and investing $102.3 million to open a new manufacturing facility in Brantford to increase production of motor cores, the basic structure of the motor used in EVs.

Dana Canada Corporation, a leading manufacturer in drivetrain and electric propulsion motor systems, is creating 105 jobs in its two facilities in Oakville and Cambridge, and investing approximately $60 million to expand its manufacturing capacity of thermal management systems, a key component for EV batteries and electronics.

Bobaek America Inc. is creating 144 new jobs and investing $35 million to build a new manufacturing facility in Windsor, specializing in battery insulation panels and cell sheets for EVs. The new manufacturing facility is expected to open in June 2024.

Creating a World-Leading Automotive and Electric Vehicle Supply Chain

In February 2024, BloombergNEF (BNEF) released its latest Global Lithium-Ion Battery Supply Chain Rankingnone, which reported that Canada had overtaken China for the top spot. Third place in the ranking was the United States. The Global Lithium-Ion Battery Supply Chain Ranking rates 30 countries on their potential to build a secure, reliable and sustainable lithium-ion battery supply chain.

According to the report, Canada's raw material resources, strong integration with the United States' automotive sector, and clear policy commitments have given it an edge over competitors. The province is the only sub-national jurisdiction in North America to have five major global automotive assemblers — Ford, General Motors, Honda, Stellantis and Toyota — and is the third largest sub-national vehicle-producing jurisdiction in North America. In addition, Volkswagen is establishing its first overseas electric vehicle battery cell manufacturing plant in Ontario.

Attracting Investments Through Invest Ontario

Invest Ontario was established in July 2020 to help attract investments from around the world and support businesses to expand their operations here in the province. The agency serves as a one-stop source to investors for business information and tailored investment solutions. It provides facilitated access to all levels of government and local service providers, as well as financial assistance through the Invest Ontario Fund. To date, Invest Ontario has helped secure $2.4 billion

in investments, which are expected to create 2,600 new jobs, with many more opportunities in the pipeline.

To continue attracting major investments to Ontario, the government is allocating an additional $100 million to the Invest Ontario Fund. This builds on the $100 million announced in the 2023 Ontario Economic Outlook and Fiscal Reviewnone, and brings the fund total to $600 million. The enhanced fund will allow the agency to attract more strategic investments that create good-paying jobs, encourage innovation and support stronger supply chains in strategic sectors where the province has a global competitive advantage, including advanced manufacturing, life sciences and technology.

Mining Value From Critical Minerals in Ontario

Developing Critical Infrastructure for the Ring of Fire

Developing Ontario's Ring of Fire region is crucial to improving quality of life for those communities. The government is working together with its First Nations partners to increase prosperity and improve access to health care, high-speed internet and other services. The Ring of Fire region is a world-class source of several critical minerals, including chromite, cobalt, nickel, copper and platinum. These all play a significant role in supporting innovative technologies for high-growth sectors such as batteries, electronics, electric vehicles and cleantech. Building the necessary infrastructure in and around the region will be a prerequisite to unlocking and lowering the cost of mining projects in the Ring of Fire and creating better supply chain connections between resources, industries, workers and communities in Northern Ontario and the manufacturing sector in Southern Ontario.

Enhancing the Critical Minerals Innovation Fund

The mining industry has rapidly evolved into a high-tech industry, with innovative ideas such as adopting electric mobile mining equipment to replace the use of diesel equipment, or remote mining to help companies access resources in isolated areas. Research projects are needed to tackle problems such as mining at depth in existing mines, the successful extraction of minerals from mine wastes, and technology that supports the recycling of electric vehicle batteries.

In November 2022, Ontario launched the $5 million Critical Minerals Innovation Fund (CMIF) to support innovation and research projects in the critical minerals sector to help increase exploration, mining, development, production and processing of critical minerals in Ontario. These projects are expected to tackle strategic challenges faced by the critical minerals sector in several areas of focus, such as the battery supply chain, deep exploration and mining, mineral processing, as well as the recovery of minerals.

To further support critical minerals development in the province and the creation of Ontario-made intellectual property, the government is investing $15 million to enhance the CMIF. The additional

funding of $5 million per year in 2024–25, 2025–26 and 2026–27 will continue to help Ontario's mining sector undertake research, development and commercialization of innovative technologies, including techniques, processes and solutions related to critical minerals. Through this investment, the CMIF will encourage further private–public collaboration and help create jobs supporting municipalities, Indigenous communities and regional economies.

Investing in Innovative Critical Minerals Projects

Last year, the Critical Minerals Innovation Fund supported 13 innovative projects by providing up to $500,000 in funding for a maximum of 50 per cent of eligible project costs.

Powering Ontario's Growth

To meet growing electricity demand, and as the government rebuilds Ontario's economy, the province may need to double electricity capacity by 2050. Ontario's clean electricity grid is a competitive advantage in attracting investments and jobs to the province. The government is continuing to invest in a clean energy future across the province. This is essential to compete and support the transition to a cleaner economy, as Ontario attracts investments in sectors such as manufacturing, mining, electric vehicles and batteries.

In July 2023, the government released Powering Ontario's Growth: Ontario's Plan for a Clean Energy Future. It is a pragmatic plan outlining the actions Ontario is taking to meet increasing electricity demand, which invests in the future of nuclear, while keeping costs down for people and businesses. The plan includes new zero-emissions electricity generation, storage and transmission lines that will provide families and industries with the reliable, low-cost and clean power they need, as well as power the province's future. In the transition, natural gas-fired generation will continue to provide the province with the capacity to meet electricity demand and maintain system reliability.

Expanding Electricity Transmission Infrastructure in the North

Expanding electricity transmission infrastructure supports economic development opportunities and improves reliability in the North. For example, the East-West Tie transmission project, from Wawa to Thunder Bay, went into service in March 2022, improving transmission capacity and flexibility. The Wataynikaneyap Power Transmission Project is nearing completion and will connect 16 remote First Nation communities to Ontario's clean electricity grid as they transition away from diesel electricity generation.

The Waasigan Transmission Line project is also under development between Shuniah (near Thunder Bay), to Atikokan and then to Dryden. It will support community, industrial and mining growth in the Northwest.

Advancing the Plan to Build With the Building Ontario Fund

Ontario's new infrastructure bank, the Building Ontario Fund, will support the financing and building of critical infrastructure projects across the province. As the government moves forward with Ontario's Plan to Build, the fund will act as a tool to attract capital in order to help meet the infrastructure needs of a growing Ontario. The government has allocated an initial $3 billion to the fund.

Following its introduction in the 2023 Ontario Economic Outlook and Fiscal Review, the fund announced the appointment of its inaugural board of directors. The fund continues to make progress in laying the foundation for future success as it establishes a governance framework and builds out the organization, including recruitment of the chief executive officer.

The Building Ontario Fund is developing a detailed process to ensure there is appropriate criteria for selecting projects and partners in priority areas, including long-term care homes, energy infrastructure, affordable housing, municipal and community infrastructure and transportation. This includes support for infrastructure projects for Indigenous communities that advance community and economic well-being. The fund is also creating opportunities for pension funds to put their members' investments to work right here in Ontario.

Launching the Ontario Transit Investment Fund

The government is launching the Ontario Transit Investment Fund to provide annual funding of $5 million to deliver local and intercommunity transportation projects in unserved and underserved areas in Ontario, particularly in rural areas. The Ontario Transit Investment Fund builds on the Community Transportation Grant Program and will include an ongoing application-based intake with expanded eligibility that includes municipalities, Indigenous communities and non-profit organizations.