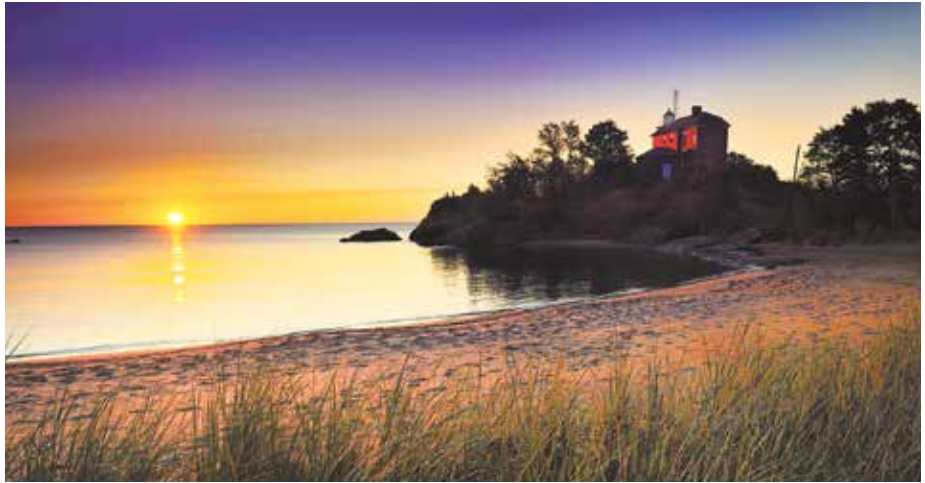


MICHIGAN

Michigan/Canada trade
and investment profile

PURE *M*ICHIGAN®

Canada and Michigan share a tremendous business partnership, with over \$204 million in goods and services traded daily.



Michigan has taken a number of steps to support international trade, investment and growth. Michigan exported nearly \$26 billion in manufactured goods to Canada in 2013. Over the last five years, this represents a more than 63.1 percent increase. Canada's exports to Michigan totaled nearly \$48.7 billion (2013), demonstrating a two-way advantage to business between Michigan and Canada. Top commodities include transportation equipment, oil and gas, machinery, iron and steel, and aluminum products.

The Michigan Economic Development Corporation (MEDC) has taken a number of steps to secure a strong trade partnership with Canada, establishing a wealth of on-the-ground resources in Canada. MEDC established a Canada trade office in partnership with the Council of Great Lakes Governors. This foreign office provides Michigan companies with an invaluable resource in the Canadian market. The Canada team

of professionals along with the MEDC export team helps companies to research, identify and capitalize on market opportunities in a broad range of industry sectors across Canada.

MICHIGAN PROFILE

Bold change has made Michigan more business friendly than ever. State business taxes are the lowest in decades. Hundreds of outdated and burdensome environmental, workplace, and business rules have been eliminated. Michigan is the newest freedom-to-work state, enabling Michigan businesses to partner with a world-class workforce that is free to decide whether union is right for them while preserving the roles of unions and collective bargaining. These changes, combined with the state's manufacturing leadership, talent, geographic advantage, and Pure Michigan lifestyle, make Michigan a great destination — and a great partner — for Canadian companies.



A global player

A global site selection publication named Michigan the eighth-most competitive state (out of 50 U.S. states) for achieving success in job creation and economic development. The same publication ranked Michigan No. 5 in major corporate facilities and expansions in 2013. Michigan is home to 1,231 foreign-owned companies that employ approximately 141,000 and have invested \$25.3 billion in plants and equipment. Foreign direct investment in Michigan totaled \$1.24 billion in 2012, resulting in 5,277 jobs.

Manufacturing and R&D leader

Nearly 14,000 manufacturing establishments produce everything from cars and trucks to medical devices and military hardware. Eight of the top 10 automotive global suppliers are headquartered in Michigan and the state is home to the world's largest concentration of industrial R&D



World-class talent

Michigan is one of the nation's premier centers of brainpower. With more than 87,000 engineers, 70,000 R&D professionals and 75,000 skilled tradespeople, Michigan is No.1 state for the availability of skilled labor and has the fourth-largest high-tech workforce in the U.S.

Tax competitive

A simple, fair and flat 6 percent corporate income tax has reduced the state business tax for Michigan businesses by at least 80 percent. It is one of the most competitive among the Midwest U.S. states and among the lowest in the entire U.S. According to the nonpartisan, Washington, D.C.-based Tax Foundation, Michigan's corporate tax is seventh-best in the U.S.

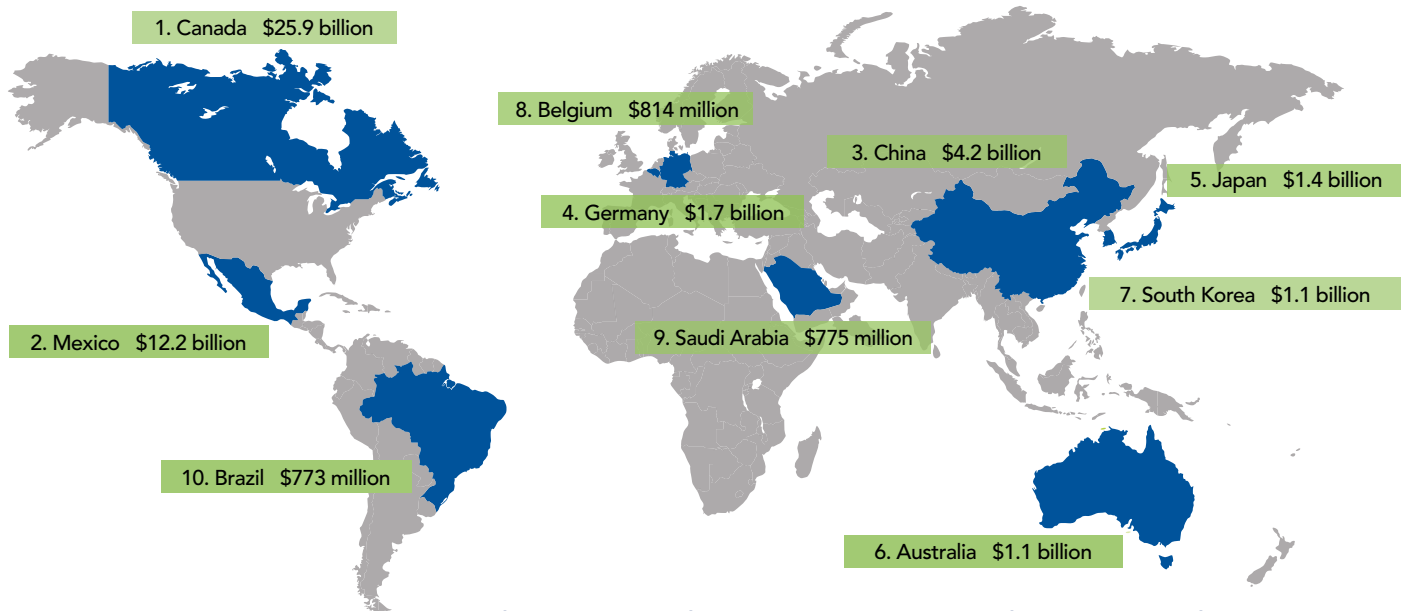
Gateway to North America

Located within 805 km of half of the U.S. and Canadian population and income, Michigan is a strategic entry point to the North American market.

The state has nine international border crossings, nautical connections to the Atlantic via the St. Lawrence Seaway, a rail system with 5,794 km of track, 18 airports, and 1,997 km of toll-free interstate highway lines built for industrial use.

Pure Michigan lifestyle

Michigan is a great place to do business, and it is a great place to live and play. From urban excitement to the great outdoors, the state offers beaches, mountains, forests, parks, museums and hundreds of cultural and historical attractions to suit every taste. Home to four of the five Great Lakes, Michigan's 5,150 km of freshwater shoreline is the longest in the world. No matter where you stand, you are never more than 10 km from a body of water among our 11,000 inland lakes and 58,000 km of rivers and streams. For golfers, there are 800 public courses set among glorious natural surroundings. ABC News' "Good Morning America" named Sleeping Bear Dunes the "most beautiful place in America."



MICHIGAN TOP 10 TRADE PARTNERS*

Total exports from Michigan to other countries exceeded \$58 billion in 2013, with Canada representing over 44 percent of all exports.

The commercial importance of trade to Michigan

In 2012, Michigan's GDP was \$400.5 billion, making Michigan the 13th largest economy within the U.S. Goods produced in Michigan for export (2013) were valued at \$58.4 billion, ranking eighth among U.S. states. Michigan 2013 imports were \$118.1 billion (29.5 percent of Michigan's GDP), making Michigan the sixth largest importing state in the U.S. In other words, over half (\$176.5 billion or 44 percent) of Michigan's economy is dependent on foreign trade.

Michigan ports of entry play a significant role in facilitating Michigan's foreign trade as well as that of other states. In 2013, the Port of Detroit alone handled approximately \$67.7 billion of imported goods and exported over \$73.1 billion of goods. The Port of Detroit was ranked eighth amongst all U.S. ports for imports and was ranked fourth amongst all U.S. ports for exports.

Michigan's top industries

1. Advanced automotive
2. Agriculture
3. Tourism
4. Medical devices
5. Bio-tech
6. Clean energy

Michigan industry clusters and products

In Michigan, companies can leverage the state's position as the global capital of vehicle R&D and advanced manufacturing with tens of thousands of engineers and scientists working toward new solutions. Many of the world's most innovative corporations, including every major vehicle-related manufacturer and supplier, have established over 375 R&D tech centers in Michigan. Companies are finding opportunity in the production of everything from medical devices to military hardware and increasingly alternative energy technologies. With nearly 15,000 manufacturing establishments in the state, Michigan's high-quality engineering and skilled

Source for GDP: U.S. Department of Commerce, Bureau of Economic Analysis

* Source for exports: U.S. Department of Commerce, International Trade Administration, TradeStats Express

Source for imports: WISERTrade

manufacturing continue to attract employers in emerging 21st century industries.

Michigan is targeting state and nationwide markets for alternative energy sources such as bio-energy and fuels; wind generation (wind energy); advanced energy storage (advanced batteries); and solar cells (solar energy). The strong alignment of scientists, universities, policy makers, industry players, the natural resource management community and engineering talent is creating the next generation of power provision for businesses, consumers and vehicles through alternative energy.

With a 140-year legacy of biotechnology innovation and an eye toward the future, life science companies of every stage are experiencing great success in Michigan. Starting in 1866 with the founding of Parke-Davis Pharmaceuticals in Detroit and followed two decades later by Upjohn Company in Kalamazoo, Michigan, has been home to a life sciences market. Emerging and well-established companies looking to develop and commercialize leading-edge products, everything from the latest diagnostic tool to creative advancements in pharmaceuticals, know that Michigan is the place to be.

Michigan has played an important role in defense and homeland security since World War II, when its engineering and manufacturing prowess helped equip and protect our nation's soldiers and defenders. This sector is important as ever. Michigan is home to an impressive number of military and defense-related facilities,

including advanced research labs, testing grounds and bases, and is also a leader in the manufacture of military vehicles.

Michigan's agriculture industry is comprised of 54,900 farms totaling over 10 million acres. The top agricultural exports are soybeans and related products, feed grain products, dairy, vegetables and fruits, as well as forestry-based products. The "Cherry Capital of the World" is in Traverse City, Michigan, demonstrating the volume of quality fresh and processed consumer fruit products which can be found originating in Michigan. In total, over 200 commodities are produced commercially. With an estimated nine billion people worldwide to feed by 2050, Michigan is poised to take a lead in meeting those needs.

Michigan companies in Canada

- Auto-Owners Insurance
- Dart Container
- Dow Chemical
- Ford Motor Company
- General Motors Company
- Kellogg Company
- Lear Corporation
- Steelcase Inc.
- Stryker Corporation
- Whirlpool Corporation
- Wolverine World Wide Inc.

Recent Michigan investments in Canada

Ford Canada, a subsidiary of **Ford Motor Company** (Detroit) has invested in Canada with multiple projects. The latest \$685 million investment in September 2013 added production of additional crossover

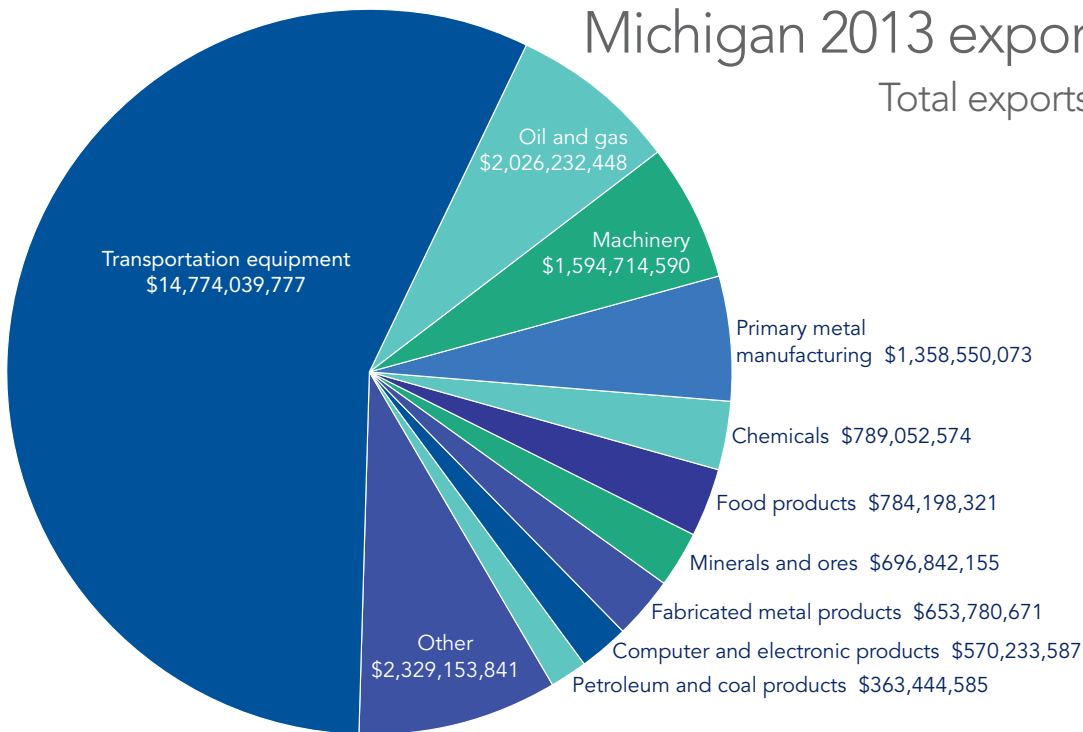
models at its Oakville, Ontario, vehicle assembly plant. An earlier \$48.6 million investment in the same facility in September 2012 added a third shift in the body, paint and pre-trim departments. Separately, Ford Canada invested \$5.7 million in September 2012 and \$23.8 million in March 2012 in expansions of its Windsor, Ontario, manufacturing facility. The expansions increased output for the company's F-series pickup trucks and Mustangs by 40 percent.

Jyco Sealing Technologies (Ann Arbor), a producer of process technology for thermoplastic vulcanisate sealing systems, invested \$19.5 million in June 2012 in its Sherbrooke, Quebec, plant, which is now the manufacturing center for three General Motors (GM) programs. The facility produces a variety of automotive weather sealing systems which are shipped to GM plants in China, South Korea, Brazil, Colombia, Europe and the Middle East.

General Motors Canada, a subsidiary of **General Motors Company** (Detroit), invested \$185 million in the expansion of its Oshawa, Ontario, manufacturing plant in August 2011. GM increased production at the site to facilitate the manufacture of its then-new Cadillac XTS luxury sedan and its next generation Chevrolet Impala. Several years earlier, at the same Oshawa plant in November 2009, GM invested \$529 million to build the Buick Regal. Separately, in April 2010, GM invested \$235 million in its St. Catharines, Ontario, plant, which makes aluminum engine blocks.

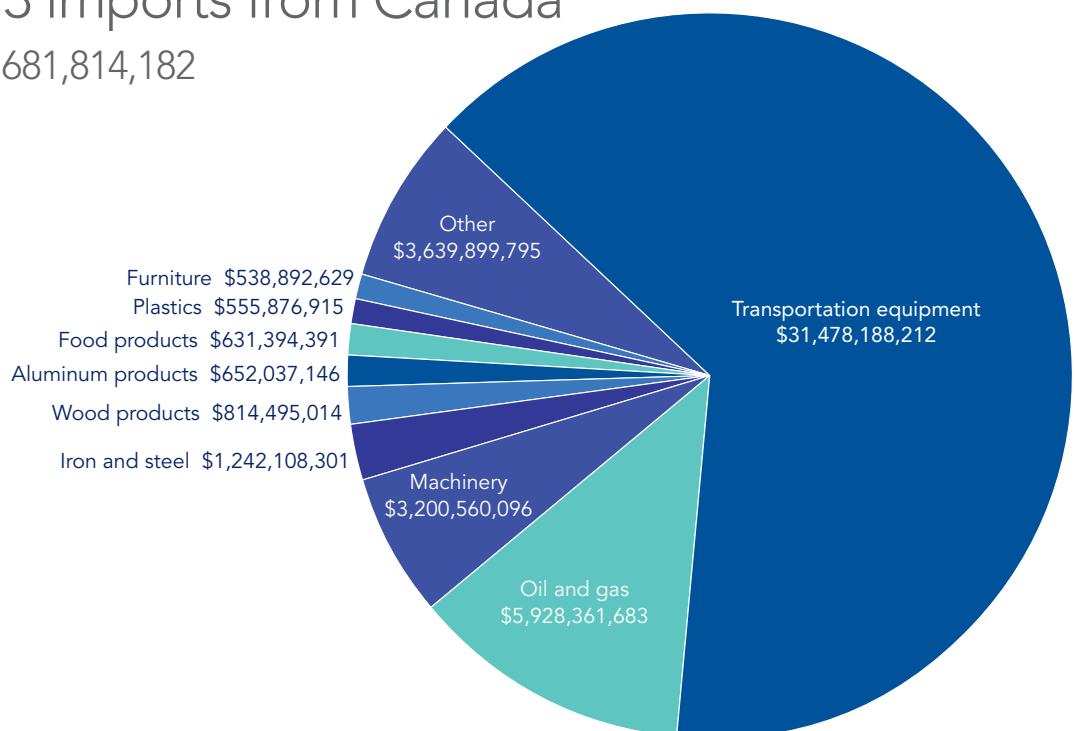
Michigan 2013 exports to Canada

Total exports = \$25,940,242,622



Michigan 2013 imports from Canada

Total imports = \$48,681,814,182





Canadian companies in Michigan

- Ballard Power Systems Corporation
- FLS Transportation
- GaN Systems
- Grand Trunk Western Railroad Inc.
- Guelph Tool Sales Inc.
- Magna Mirrors of America Inc.
- Magna Seating of America Inc.
- Martinrea International Inc.
- Van-Rob Inc.

Recent Canadian investments in Michigan

Van-Rob Inc., an Aurora, Ontario, automotive component manufacturer, invested \$15.7 million in a new sales and engineering facility in Troy, Michigan, in January 2013. At the same time, the company also invested \$15 million in an expansion of its Tecumseh, Michigan, manufacturing facility.

Aurora, Ontario-based **Magna International** has been a strong investor in Michigan over the years. In January 2013, Magna Exteriors and

Interiors, invested \$75 million in a new robotic paint line and injection molding facility in Delta Township, Michigan. In the same month, the company also invested \$6.75 million in a new light-assembly and sequencing facility in Wayne County, Michigan. Separately, Magna International, through its P&F Systems division, invested \$28.9 million in a new manufacturing operation in Auburn Hills, Michigan, in October, 2012. Another subsidiary, Magna Electronics, invested \$20 million in an engineering and development center expansion in Rochester Hills, Michigan, in March 2009. This facility develops hybrid and electric drivetrain systems and electronics which control motors.

Martinrea Jonesville, a subsidiary of Vaughan, Ontario-based Martinrea International, invested \$15.9 million in an expansion of its Jonesville, Michigan plant. The plant manufactures automotive body parts such as metal stampings and welded assemblies.

"The economic and social ties that connect Michigan with our Canadian neighbors run deep. Ours is a relationship forged and strengthened by centuries of mutually beneficial partnership. Today, our partnership is stronger than ever. As a result, there has never been a better time to take advantage of the import/export opportunities that exist for our respective businesses and citizens."

—Rick Snyder, Governor
State of Michigan



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