Ramp up in U.S. auto strike expected to affect Canadian parts producers

The Canadian Press

Automakers in the United States ramped up their strike Friday in a move that’s expected to knock on effects for Canadian parts producers.

The expanded strike shut down United Auto Workers (UAW) plants at six GM and Stellantis factories in the U.S., allowing the union to strike at three Ford, Toyota and Honda plants.

“When the plants in the U.S. picket line strike, they have the ability to knock on the supplier’s doors in Canada,” said Sam Faren, vice president of global vehicle forwarding and freight at a large parts supplier.

“When you have a UAW strike, it’s a domino effect. The additional distribution centers increase the chance of disrupting the supply chain and affecting Canadian parts suppliers,” he said.

“In the days by days, by parts suppliers, more and more happens, and if it goes worse as the parts suppliers themselves are smaller. So the smaller tier two and tier three suppliers will really suffer,” Faren said.

A union spokesman operating in the U.S. have already been affected by the strike.

Aaron Onit, based in Ingersoll, Ont., said his company, J&J Manufacturing, a joint venture between Ford and Mazda, has temporarily laid off about 450 employees because the plant supplies parts to a Ford Brenneken plant that has been shut down. Ford however was spared from the strike, but the addition of distribution centers increases the chance of disrupting the supply chain and affecting Canadian parts suppliers, he said.

“While the longer-term impacts of this situation are still being determined, the news of UAW’s abdication to the strike is troubling,” said the Thomas.

“The situation escalated in the last few days, with both sides engaging in a spill-over of expertise and information to achieve their objectives in this situation. The strikes have been going on for years to advance, businesses and the union are looking for answers. We have to go back and find solutions to the problems we have,” Faren said.

“Investors will want answers to the question of how long it will take to bring relations back to the status quo and how much work will be left undone,” he said.

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