



**Canadian Vehicle
Manufacturers' Association**
**Association canadienne
des constructeurs de véhicules**



**Global Automakers
of Canada**

FOR IMMEDIATE RELEASE

Changes to federal EV incentive fall short

iZEV program limits enhanced but no incentive increase

OTTAWA/TORONTO, April 22, 2022— Today Transport Canada announced long-awaited modifications to the *Incentives for Zero Emission Vehicles (iZEV)* program to facilitate the growth of zero emission vehicle sales from the current level of 5.6% of all sales to 100% of sales by 2035.

“We wish to acknowledge Transport Canada’s acceptance of the reality that the new breed of ZEVs in the SUV and light truck “wheelhouse” of where Canadians are purchasing 80% of their vehicles will be more expensive owing to their larger batteries.” said Tim Reuss, President and CEO of the Canadian Automobile Dealers Association. “That said, simply increasing the limits to make a few more vehicles eligible for the program without increasing the amount of the incentive doesn’t address the affordability issue, - so we are disappointed,” he added.

“Survey after survey has identified the cost of zero-emission vehicles as the most significant barrier to consumer adoption. The iZEV program adjustments are welcomed but the incentive is simply not large enough to help more Canadians make the switch to electric,” said Brian Kingston, President & CEO of the Canadian Vehicle Manufacturers’ Association. “With inflation hitting a three-decade high, Canadians need greater support to purchase a ZEV and put the government on a path to achieves its ZEV sales targets”.

“We have seen over the last year core components of batteries increase in price dramatically – aluminum and copper have increased more than one-third in cost, lithium carbonate by \$150%, graphite by 15%, nickel by 25%. Battery costs are not coming down but actually increasing at the moment,” said David Adams, President and CEO of the Global Automakers of Canada. “This means more needs to be done, at least in the short term, to assist consumers in making the transition as far as the incentive amount is concerned,” he added. “Finally, while we appreciate why luxury EVs have never been eligible for the iZEV incentives, it is completely incomprehensible why the federal government would not exempt luxury EVs from the application of the new luxury tax, as an incentive for luxury vehicle purchases to make the switch to EVs.”

Government needs to enhance existing consumer incentives and build more charging infrastructure to match the historic investment that manufacturers and dealers are making towards the 100 percent ZEV sales target

For more information on what the industry is doing to reach 100% zero emission vehicle sales by 2035, and what is required of government to support that journey, please see [Roadto2035.ca](https://www.roadto2035.ca):

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