

The Ohio Motor Vehicle Industry

Contribution to the Economy

- Ohio's motor vehicle industry (NAICS 3361-3) produced \$16 billion worth of goods in 2002—about 14 percent of the U.S. output and second only to Michigan.
- This \$16 billion represents 4.1 percent of Ohio's gross state product (GSP). By comparison, the motor vehicles industry accounts for 1.1 percent of the nation's gross domestic product.
- GSP figures underestimate the importance of the motor vehicle industry because they do not include the output from a wide array of industries that supply parts, materials, and services.
- A broader view of the industry's size takes into account contributions from a cluster of industries producing goods used by the motor vehicle industry. With the inclusion of non-manufacturing activities, the total economic output associated with the motor vehicles industry cluster exceeds 16 percent of the state's private-sector economy.

Vehicle Production

- Approximately 1,885,000 motor vehicles were assembled in Ohio plants in 2003—15.6 percent of U.S. production and second only to Michigan.
- About 928 thousand cars were assembled in Ohio in 2003—20.6 percent of U.S. output and second only to Michigan.
- About 957 thousand light trucks were assembled in Ohio in 2003—12.6 percent of the national total, ranking Ohio third behind Michigan and Missouri.

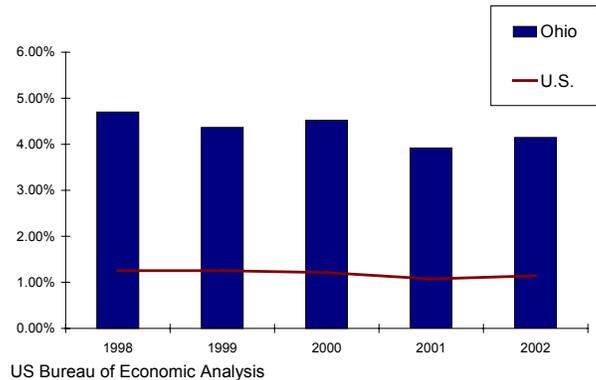
Key Sectors

- 555 motor vehicle industry establishments in Ohio employ more than 138 thousand people—12.7 percent of the nation's motor vehicle industry work force.
- The greatest concentration of motor vehicle industry employment in Ohio occurs in automotive metal stampings (23 percent of the nation) and steering & suspension parts (19 percent of the nation).

Suppliers

- There are 1,927 tier-1 motor vehicle parts suppliers operating in North America. Approximately 11.5 percent of these suppliers have one or more plants located in Ohio. Ohio gained three tier-1 suppliers from 2002 to 2004—Michigan and Indiana lost tier-1 suppliers.

Share of the Economy

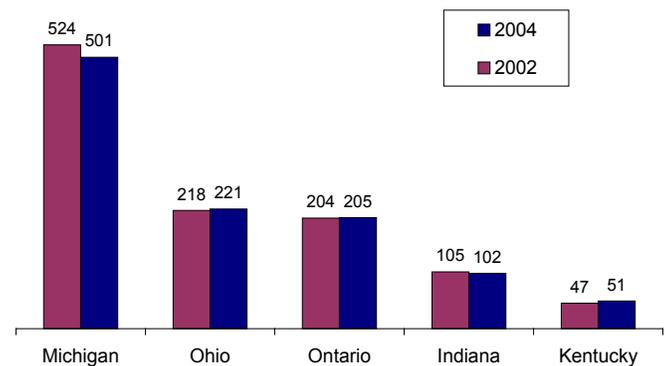


Ohio's Share of U.S. Employment

NAICS Code	Industry Title	Share of US
336111	Automobiles	14.6%
336112	Light Trucks	15.1%
33612	Heavy Duty Trucks	18.5%
336312	Gas Engines & Parts	10.7%
33632	Electronic Equipment	12.8%
33633	Steering/Suspension	18.7%
33634	Brake Systems	15.5%
33635	Transmission/Power Train	12.0%
33636	Seating/Interior Trim	10.7%
33637	Metal Stamping	22.9%
336391	MV Air-Conditioning	17.2%

Source: US Bureau of Labor Statistics

Tier-1 Suppliers



Ohio Trends

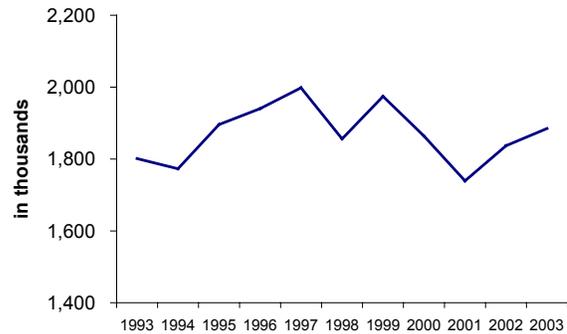
Vehicle Production in Ohio

- ❑ In 2003, Ohio's major vehicle assembly plants produced 1,885 thousand light vehicles (cars, SUVs, and vans). This was a sharp increase over 2001 when production totaled 1,739 thousand vehicles— though still lower than the record year of 1997 with 1,998 thousand vehicles.
- ❑ Gains in 2003 compared to 2001 can be attributed largely to a net increase of 95 thousand SUVs at GM's Moraine plant and a net increase of 53 thousand Jeeps at DaimlerChrysler's Toledo plant.
- ❑ GM, in 2003, was the largest producer of vehicles in Ohio, narrowly edging out Honda for this honor.
- ❑ In 2003, for the first time since 1988, Ohio's vehicle assembly plants produced more light trucks than cars.
- ❑ Changes in the ratio of vehicles produced to the number of assembly plant workers can be used to approximate gains in productivity. In 1993, there was one Ohio assembly worker for every 45 vehicles that drove out the factory door. In 1997, this ratio was 54; and it improved to 60 vehicles for every worker in 2003.

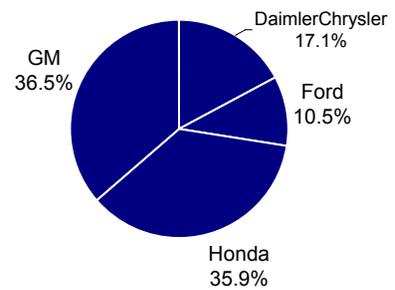
Employment

- ❑ Employment in Ohio's motor vehicle assembly industry (NAICS 3361) was consistently around 40 thousand workers during the decade of the 1990s. In 2001, employment began to decline and currently stands at just under 31 thousand workers.
- ❑ Motor vehicle parts employment (NAICS 3363) grew strongly in the 1990s, peaking at 122 thousand workers in December of 1997. Seven years later, employment stood at 90 thousand workers—a 26 percent decline.
- ❑ Employment declines reflect the cyclical nature of the motor vehicle industry as well as improvements in productivity and the competitive nature of the industry, especially in the production of labor-intensive auto parts.
- ❑ Analysts at the U.S. Bureau of Labor Statistics forecast a loss of 16,000 workers in the U.S. motor vehicle assembly industry from 2002 to 2012. However, their analysis shows a 27,000-job increase in parts manufacturing during this period.
- ❑ The Ohio Bureau of Labor Market Information projects 3,300 fewer assembly plant workers and 2,400 fewer parts manufacturing workers in 2012 compared to 2002.

Assembled Light Vehicles

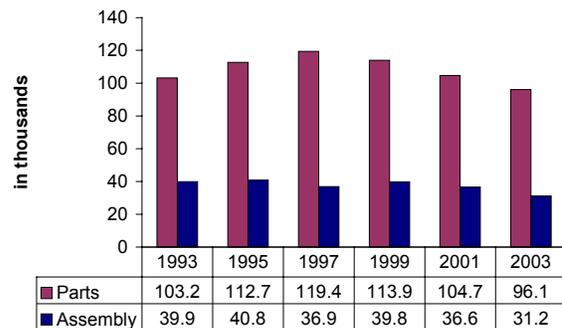


Vehicles by Company, Ohio 2003



Source for vehicle assembly data: Ward's Communications

Employment



Source: Ohio Bureau of Labor Market Statistics.

Investment Trends

Announced Projects

- ❑ Both 2003 and 2004 were strong years in terms of the investments announced by companies in Ohio's motor vehicle industry (see chart to the right).
- ❑ During the four-year period from 2001 to 2004, the industry committed to more than \$5 billion in new investments and 9,000 new jobs.
- ❑ In August 2004, DaimlerChrysler announced a \$222 million expansion of its Toledo Jeep facility and plans for an on-site supplier park.
- ❑ The supplier park will be home to three companies: Hadden Environmental, which will operate a paint facility; KUKA Robotics, which will perform body and welding operations; and Hyundai Mobis, which will be responsible for chassis construction.
- ❑ Early in 2004, Honda of America detailed plans for a new state-of-the-art paint facility at the company's Marysville plant—an investment of \$123 million.
- ❑ Then in the fall of 2004, Honda said it would spend \$100 million to nearly double the size of its Russells Point transmission plant and create 100 jobs. The Russells Point project will result in the transfer of precision gear production from one of Honda's plants located in Japan.

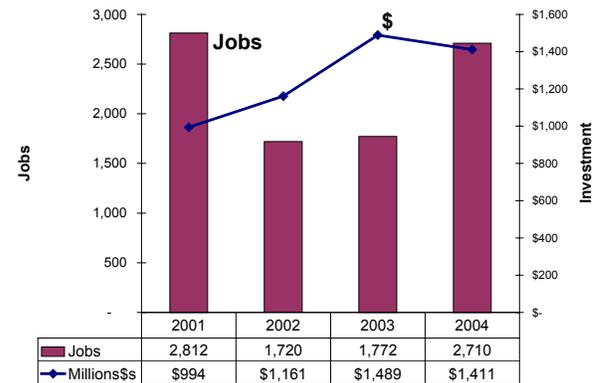
Capital Expenditures

- ❑ The latest capital expenditure data collected by the U.S. Census Bureau extends through 2001. For the five-year period from 1997 to 2001, Ohio factories captured 13.7 percent of the industry's investment dollars. This percentage is in line with the state's share of production value (15 percent) and its share of jobs (12.7 percent).

Ohio Facts

- ❑ A number of the nation's best-selling models are made in Ohio. Five models exceeded the 200,000 unit production mark in 2003—Honda's Accord; GM's TrailBlazer and Cavalier (since replaced by the Cobalt); DaimlerChrysler's Jeep; and Ford's Econoline van.
- ❑ General Motors is the largest industry employer in Ohio with 21,500 workers; followed by Ford (15,000), Honda (12,900), Delphi (11,850), and DaimlerChrysler (8,400).

Announced Auto Projects

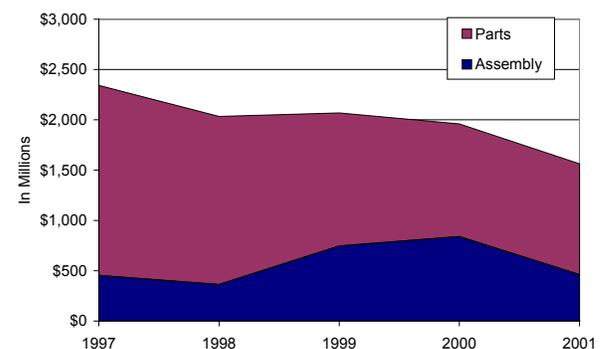


Top 5 Announced Investments, 2004

Company	County	Product	Investment (millions)
DaimlerChrysler	Lucas	SUVs	\$222
Ford Motor Co	Hamilton	Transmissions	\$186
Haden Environmental	Lucas	Paint shop	\$145
Honda of America	Union	Paint shop	\$123
Honda of America	Logan	Transmissions	\$100

Projects compiled by the Ohio Deptment of Development

Capital Expenditures



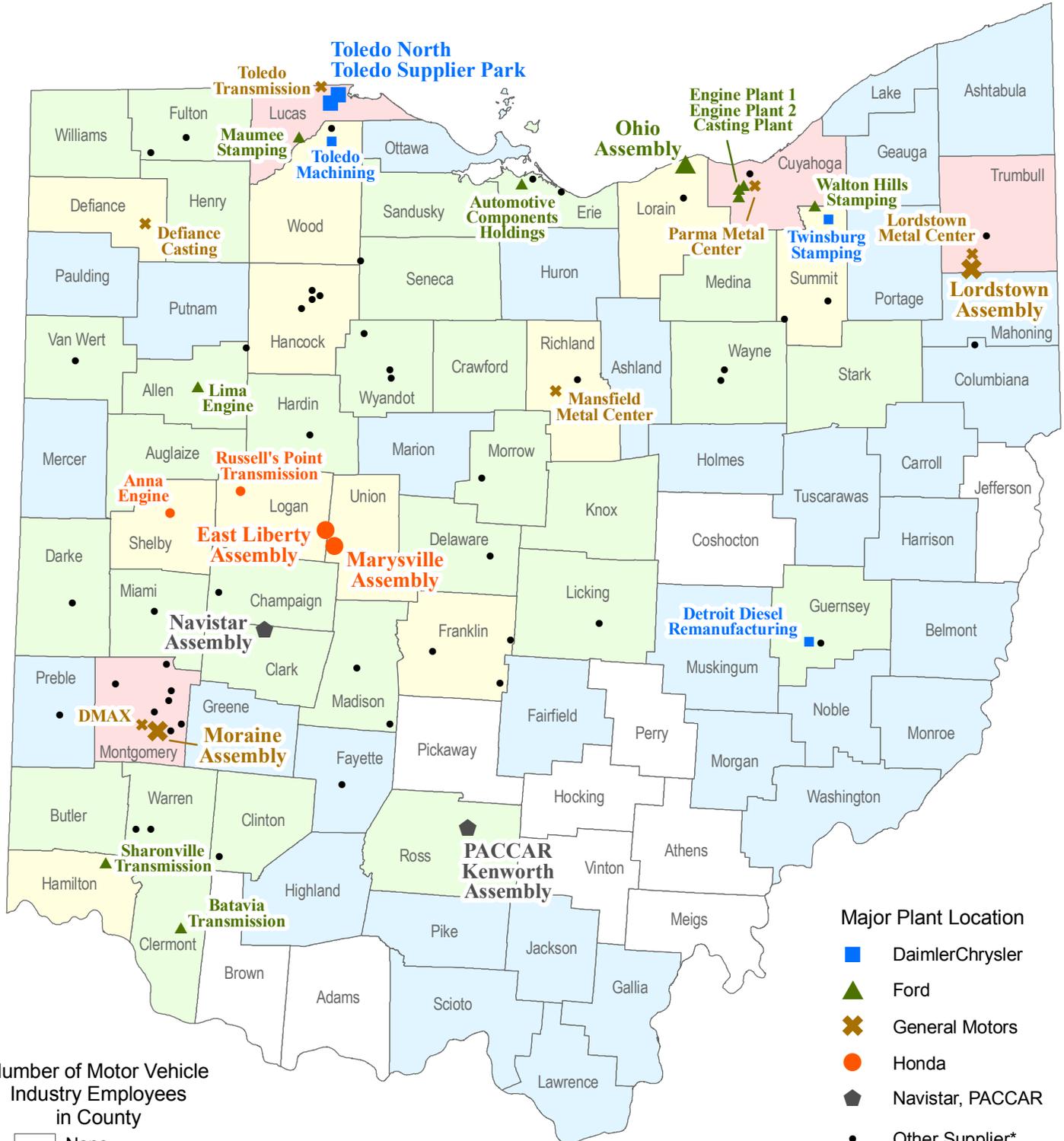
Source: U.S. Census Bureau

Ohio's Motor Vehicle Industry

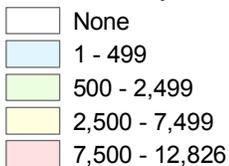
Estimated Number of Employees



Department of Development



Number of Motor Vehicle Industry Employees in County



Derived from 2004 County Business Patterns, U.S. Census Bureau

Major Plant Location

- DaimlerChrysler
- ▲ Ford
- ✕ General Motors
- Honda
- ▣ Navistar, PACCAR
- Other Supplier*

*Establishments employing 500 or more

Prepared by: Ohio Department of Development, PR&SP (December 2007)