

# Ohio's Motor Vehicle Industry: The Latest Descriptions



## Economic Contributions and Concentrations

- The motor vehicle industry (NAICS 3361-3) in Ohio added \$15.84 billion in value to U.S. output during 2014 – 9.7 percent of the national total. In comparison, 3.4 percent of all U.S. goods and services came from Ohio, indicating the industry's concentration here.
- 59.3 percent of the industry output in Ohio during 2014 came from the parts group (3363), as measured by dollar value-added, followed by assembly plants (3361) at 37.6 percent, and bodies-campers-trailers-motor homes (3362) at 3.0 percent. (Figures are rounded.)
- The parts group also is the most concentrated with 11.8 percent of national output. It is followed by assembly plants at 8.5 percent and bodies-trailers-campers-motor homes at 3.5 percent of national output. Ohio ranked 2<sup>nd</sup>, 4<sup>th</sup>, 6<sup>th</sup>, respectively, and 3<sup>rd</sup> overall.
- The most recent detailed jobs data further specify industry concentrations here. All except 3362 are concentrated in Ohio. The more-concentrated industries are medium- and heavy-duty truck and bus assembly, electrical and electronic equipment, brake systems, transmissions and powertrain parts, seating and interior trim, and stampings.\*

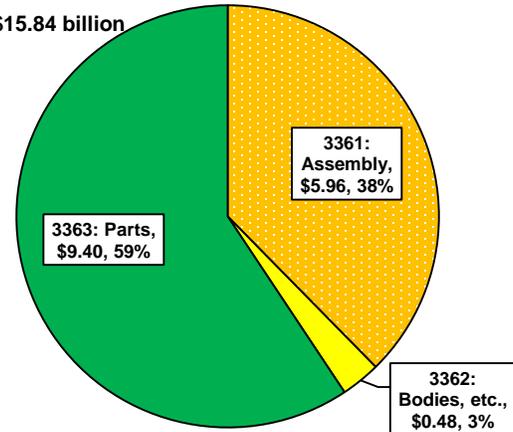
## Vehicle Production

- Over 1,618,800 cars and light trucks (vans, SUVs and pick-ups) – 13.6 percent of total U.S. light vehicle production – were assembled in Ohio's six high-volume plants during 2015. 853,800 were light trucks, while 765,000 were cars – 11.1 and 18.4 percent, respectively, of the U.S. totals. All of these figures are second only to Michigan's.
- Honda was the largest assembler, totaling 701,800 light vehicles, or 43.4 percent of such output in Ohio. It was the largest car maker and the second largest light truck maker, with the Accord – a car – the single highest-volume model from Ohio.
- Fiat Chrysler Automobiles' (FCA's) Wrangler and Cherokee output combined to make it the largest light truck producer in Ohio with 34.9 percent of all light vehicles assembled here. The Cherokee was the highest volume SUV from Ohio.
- GM's Cruze is the second most popular model car made in Ohio; Ford added 52,800 vans at Avon Lake.
- Navistar International assembles a variety of buses and medium- and heavy-duty trucks in Springfield; Paccar's Kenworth division assembles two heavy-duty truck models in Chillicothe.

Note: \* - The full report adds new tire and battery production, most of which is for motor vehicles, are modestly concentrated between 3362 and 33633 levels.

## Industry Output: Sources of Value-Added in Ohio

Total: \$15.84 billion



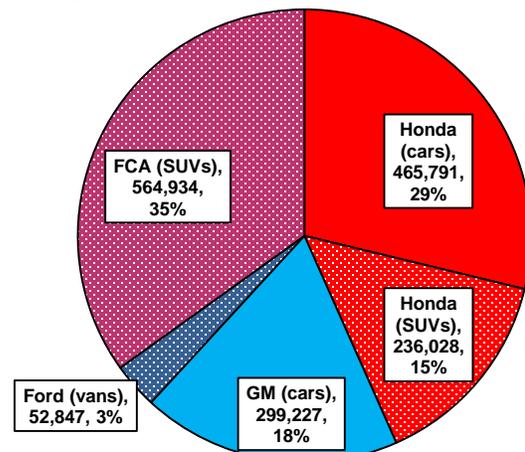
Source: U.S. Census Bureau, 2016

## Ohio's Share of U.S. Motor Vehicle Industry Jobs

NAICS Code	Industries	Share of U.S.
11-81	Private Sector Total (exc. Farm & Rail)	3.8%
3361-3	Motor Vehicle Cluster	10.9%
3361	Assembly	10.5%
33611	Cars & Light Trucks	10.1%
33612	Medium- & Heavy-Duty Trucks	12.6%
3362	Bodies-Trailers-Campers-Motor Homes	4.0%
3363	Parts	12.8%
33631	Engines & Components	9.5%
33632	Electrical & Electronic Eqpt.	16.6%
33633	Steering & Suspension Parts	8.2%
33634	Brake Systems	14.1%
33635	Transmissions & Power Train Parts	15.3%
33636	Seating & Interior Trim	14.2%
33637	Stampings	17.0%
33639	Other Motor Vehicle Parts	8.6%

Source: U.S. Census Bureau, 2016

## 2015 Light Vehicle Production in Ohio



Source: Automotive News, 2016

# Ohio's Motor Vehicle Industry: Production and Employment Trends



## Gross Domestic Product (GDP) – the Broad Sweep

- The net value of industry goods (NAICS 3361-3) produced in Ohio has more than tripled since 2009, but remains below the 2006 peak of \$18.7 billion.<sup>^</sup>
- After the tumultuous changes of the Great Recession, the industry has stabilized around 9.0 percent of national output.

## Light Vehicles – the Core of Production

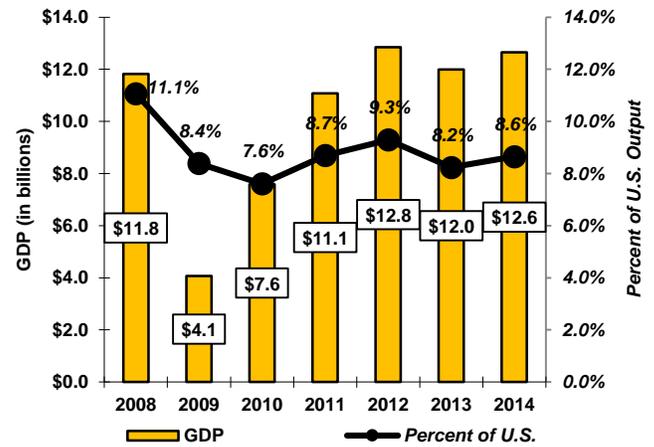
- Light vehicle assemblies (33611, cars plus light trucks) in Ohio during the last few years have ranged between 783,000 and 1,620,000. This changes reflect the highly cyclical nature of the industry as well as the impact of East Asian floods, a major model change-over, and the wind-down and closure of GM's Moraine plant in 2008.
- The portion of light vehicles made in Ohio has remained relatively steady despite the wide swings in absolute numbers – usually within 0.5 points of the 14.1 percent average. Car and light truck assemblies averaged 18.3 and 11.4 percent of their respective U.S. totals.
- Car assemblies in Ohio edged light truck assemblies, averaging 51 to 49 percent; national production favored light trucks by a 3::2 ratio.
- The four high-volume light vehicle assemblers are currently making these models: **Fiat Chrysler Automobiles** – the Jeeps Cherokee and Wrangler (SUVs); **Ford** – the Econoline (van chassis); **GM** – the Chevy Cruze (car); **Honda** – the Accord and Acura ILX, TLX and NSX (cars), as well as the CR-V and Acura RDX (SUVs).
- With Cherokee production winding down in preparation for a major transition in Toledo, year-to-date 2016 light vehicle output is down 3.6 percent from the same period in 2015. This alone offset increased car production.

## Employment

- Employment in Ohio's motor vehicle industry rose 20.5 percent from the post-recession low of 73,600 in 2010 to 88,700 in 2014; gains were seen in all three groups.
- Preliminary data from the Ohio Dept. of Job and Family Services' Labor Market Information division show a 3.9 percent increase in 2015, with gains in bodies, trailers, etc., and parts more than offsetting a slight decrease at assembly plants. U.S. Bureau of Labor Statistics data show national industry employment rose 4.9 percent.
- The real growth in GDP per employee from \$113,800 in 2008 to \$142,600 in 2014 represents a 25.4 percent increase in productivity. This increased efficiency may be explained by many factors, including a return to normal operations, over-time work and increased automation.

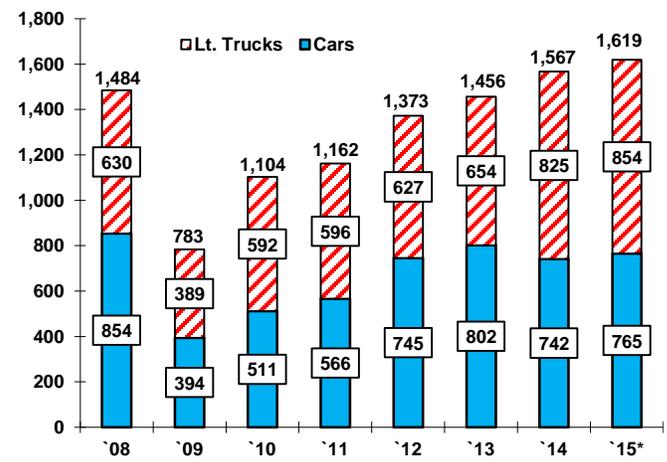
Note: ^ - GDP calculations subtract the cost of purchased services from value-added.

## Motor Vehicle Industry GDP from Ohio (adjusted for inflation and standardized on 2009)



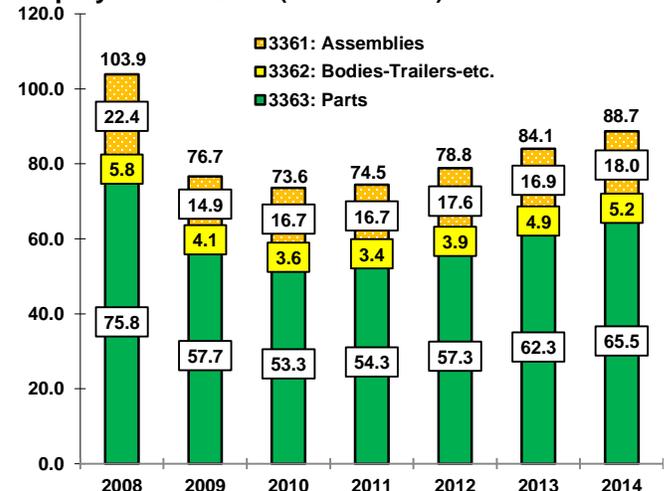
Source: U.S. Bureau of Economic Analysis

## Light Vehicle Production in Ohio (in thousands)



Note: \* - Initial Sources: Automotive News and Ward's

## Employment in Ohio (in thousands)



Source: U.S. Census Bureau

# Ohio's Motor Vehicle Industry: Companies and Investments



## Companies in Ohio

- 29 *Fortune* U.S.-1,000 and Global-500 companies have motor vehicle industry (NAICS 3361-3 plus related industries) plants here. Assemblers usually are the largest employers – see the chart at right. Other companies – regardless of *Fortune* status – with at least 1,000 employees include Autoliv, Cooper Tire & Rubber, Dana, Flex-N-Gate's Ventra, Fuyao Glass, Goodyear Tire & Rubber, International Automotive Components, Johnson Controls (including Adient), KTH Parts, Magna International, Mahle Behr, Navistar, Nihon Plast's Neaton Auto Parts, Paccar's Kenworth, Peugeot's Faurecia, Schaeffler Technologies' LuK (sic), Showa, Stanley Electric and Toledo Molding & Die.

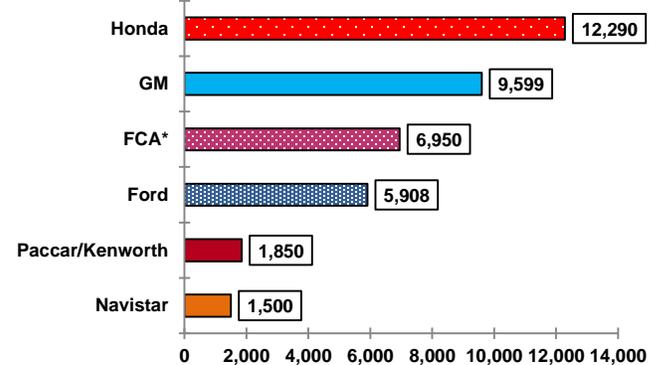
## Capital Expenditures in Ohio

- Industry (3361-3) expenditures in recent years ranged from \$842 million in 2010 (7.0 percent of the national total) to at least \$1.993 billion in 2012 (12.7 percent).
- About \$737 of every \$1,000 invested in Ohio by companies during this time went to parts production (3363); \$25.7 went into assembly plants (3361), with the remaining \$7 for making vehicle bodies, campers, trailers and motor homes (3362). The corresponding national proportions were \$490, \$482, and \$28.
- Ohio's portion of total national expenditures during the six years was 9.0 percent, which was slightly less than the corresponding portion of value-added in the state: 9.6 percent. This summary comparison hides two divergent patterns: Ohio's portions of total national expenditures and value-added for parts plants averaged 13.8 and 11.8 percent, respectively, while the corresponding percentages for assembly plants were 8.1 and 4.7.

## Projects Announcements in Ohio

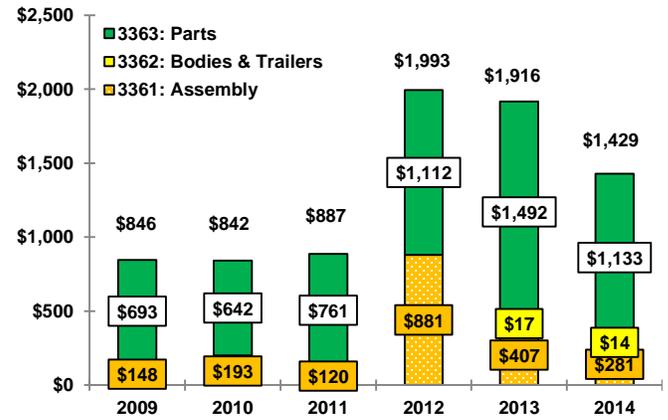
- 133 companies announced 185 major projects<sup>^</sup> in the last four years with plans to invest more than \$5.8 billion in new or existing plants and add 10,700 new jobs. 2015 was the most expansive year: \$3.084 billion intended with 3,397 new jobs anticipated.
- Assemblers combined to dominated the spending plans, and often intended hiring hundreds (figures also include their parts plants): Ford – \$2.01 billion; Honda – \$1.27 billion and 530 jobs; General Motors – \$506 million (including its joint venture with Isuzu) and 150 jobs; Navistar – \$40.9 million and 300 jobs; FCA - \$20 million. The five combined for \$3.85 billion and 980 jobs.
- Fuyao Glass intended hiring the largest number: 1,550. Other companies planning to hire at least 200 people included Advics, Borgers USA, Imasen Bucyrus Technology, KTH Parts, Minth N. America, Peugeot's Faurecia, Schaeffler Technologies' LuK, and Thyssen-Krupp's Bilstein.

## Jobs at High-Volume Assemblers (manufacturing plants, including parts operations)



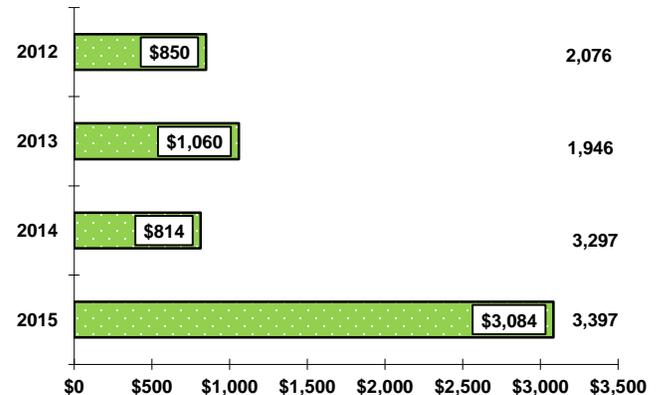
Note: \* - Includes two partners integrated at Fiat Chrysler Automobiles' Toledo complex. Sources: Public media.

## Capital Expenditures (in millions)



Note: 3362 figures less than \$9 million each year for 2009-2011 and suppressed in 2012. Source: U.S. Census Bureau.

## Project Announcements (in millions, except jobs)

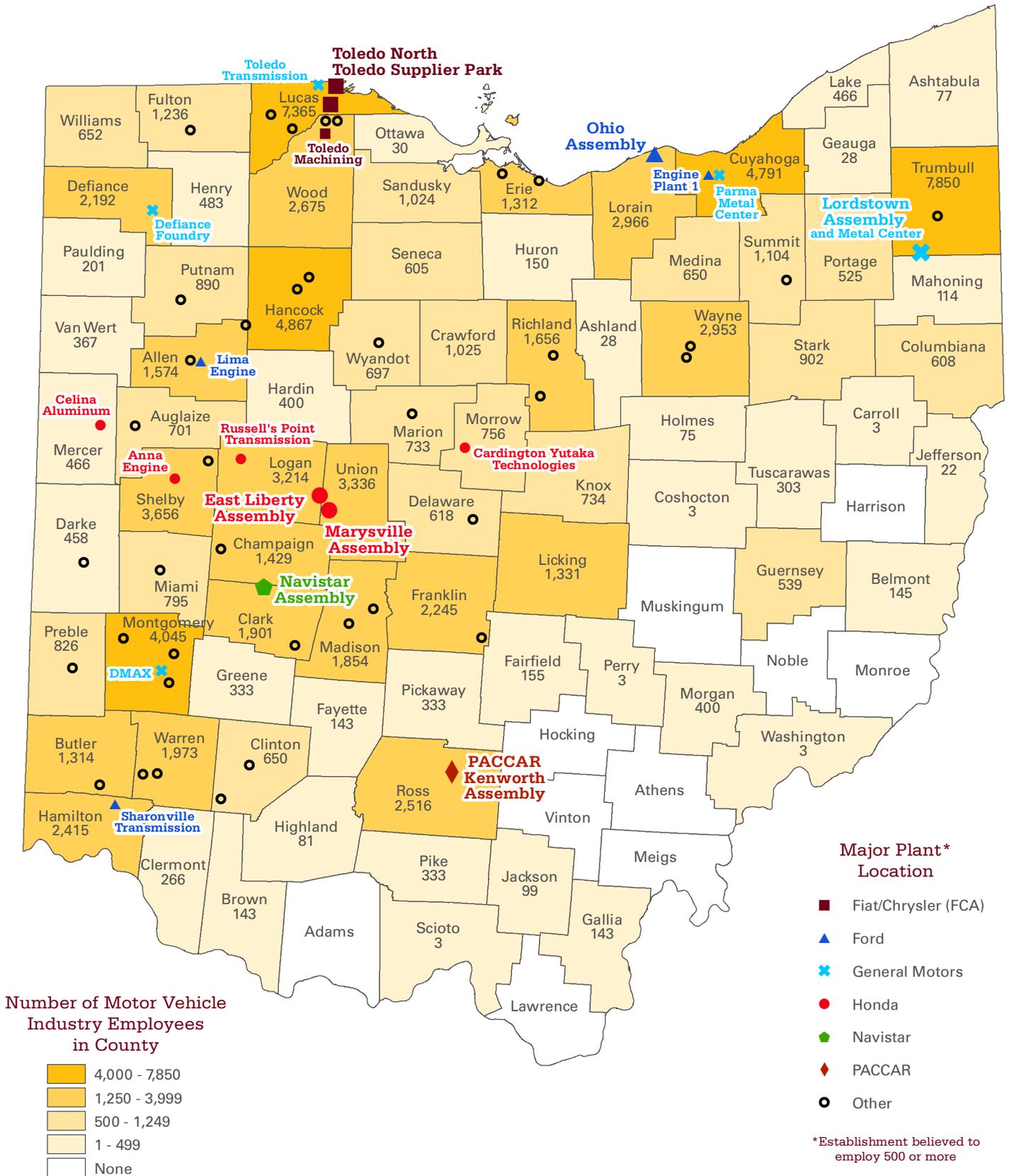


Sources: Ohio Development Services Agency, public media.

Note: <sup>^</sup> - A major project involves at least \$1 million, 20 to 50 new jobs, or an addition of 20,000 square feet. Such projects often are phased-in over several years; they are *not* comparable with annual capital expenditures.

# Ohio's Motor Vehicle Industry

## Estimated Number of Employees



Derived from 2014 County Business Patterns, U.S. Census Bureau

Prepared by: Ohio Development Services Agency, Office of Research (December 2016)