

The Ohio Motor Vehicle Industry



Department of
Development

Contribution to the Economy

- Ohio's motor vehicle industry (NAICS 3361-3) produced \$12.6 billion worth of goods in 2007 – nearly 13.7 percent of the U.S. output and second only to Michigan.
- The \$12.6 billion also represents 2.7 percent of Ohio's Gross Domestic Product (GDP). By comparison, the motor vehicle industry is .7 percent of U.S. GDP.
- A more expansive view including goods used by – and services related to – the motor vehicle industry increases its role in Ohio to 12 percent of the state's private sector.

Vehicle Production

- More than 1,484,000 cars and light trucks (vans, SUVs and pick-ups) were assembled in Ohio's six high-volume plants during 2008 – 17.4 percent of total U.S. production, and second only to Michigan.
- Honda and General Motors produced 854,000 cars during 2008 – 22.6 percent of the national total.
- More than 629,000 light trucks were assembled by Chrysler, Ford, General Motors, and Honda during 2008 – 13.3 percent of the U.S. total.
- Navistar International manufactures buses and medium- and heavy-duty trucks in Springfield, and PACCAR's Kenworth division assembles heavy-duty trucks in Chillicothe.

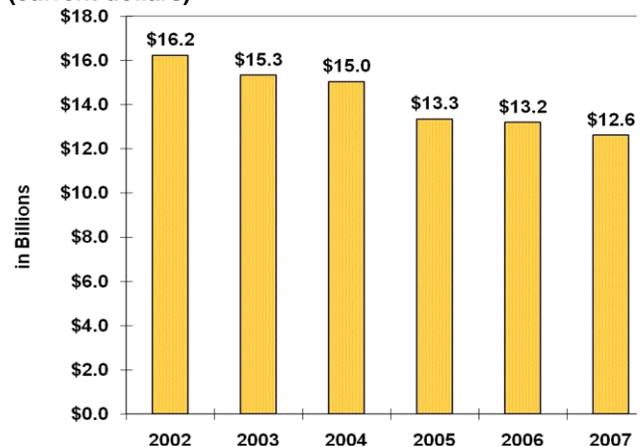
Key Sectors

- There were 689 motor vehicle industry establishments in Ohio employing more than 114,000 people during 2007, which made up 11.5 percent of all such workers in the nation.
- The greatest concentrations of industry employment in Ohio occur in gasoline engines and parts, vehicular lighting equipment, metal stamping, and other parts.

Suppliers

- There are 3,602 establishments in North America that supply parts to the motor vehicle industry, with 352 (or 9.8 percent) of them located in Ohio according to ELM International. Among the surrounding states and province, only Michigan has more.

Motor Vehicle Industry GDP in Ohio, 2002-2007
(current dollars)



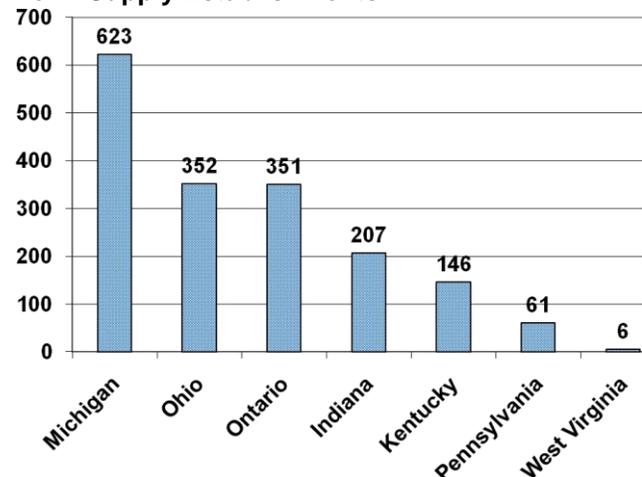
Source: U.S. Bureau of Economic Analysis

Ohio's Share of U.S. Employment

NAICS Code	Selected Industries	Share of U.S.
3361-3	Motor Vehicle Industry	11.5%
336111	Automobiles	10.5%
336112	Light Trucks	14.0%
33612	Heavy-Duty Trucks	9.0%
3362	Bodies & Trailers	4.6%
336312	Gas Engines & Parts	18.7%
336321	Vehicular Lighting Eqpt.	16.0%
33633	Steering & Suspension Parts	13.2%
33634	Brake Systems	10.5%
33635	Transmission & Power Train Parts	11.5%
33636	Seating & Interior Trim	8.3%
33637	Metal Stamping	18.9%
33639	Other Motor Vehicle Parts	15.3%

Source: U.S. Bureau of Labor Statistics

Tier-1 Supply Establishments



Source: ELM International (2009)

Investment Trends

- Investment in Ohio's motor vehicle industry (NAICS 3661-3363 combined) ranged from \$1.2-plus billion to \$2.1-plus billion during the 2001-2006 period; these amounts represented from 9.4 to 18.8 percent of the national total.
- On average, almost 73 of every 100 dollars invested went for parts production (3363); nearly all of the remaining dollars went into assembly plants (3361).
- Ohio's portion of total national capital expenditures, which averaged 12.9 percent, is less than the corresponding portion of value added in the state – 14.4 percent – during the 2001-2006 period.

Major Projects

- Since 2002, motor vehicle industry companies have announced 311 major projects with intentions to invest over \$6.7 billion. About 14,000 new jobs were anticipated at announcement. 2003 was the peak year for projects with a value of \$1.48 billion, while the largest number of new jobs anticipated, more than 2,700, occurred in 2005.
- Motor vehicle parts projects made up 266 of the 311; they were valued at nearly \$5.1 billion with 11,100 new jobs anticipated upon completion. The 266 include those not classified in NAICS 3363 but whose products were incorporated into motor vehicles.
- The 23 assembly plant projects planned to invest \$1.53 billion, but less than 900 new jobs were anticipated. The \$199 million planned by body and trailer plants anticipated almost 2,100 new jobs.
- Assemblers dominated the spending plans (figures include their parts plants):
 - General Motors – \$2.27 billion;
 - Ford – \$1.20 billion;
 - Honda – \$584 million;
 - Chrysler – \$303 million.
- Other companies planning to invest at least \$50 million included Behr, Bridgestone, Delphi, Faurecia Exhaust Systems, Kenworth, KUKA, Lear, Nissin Brake Ohio (f.k.a. Findlex), Tenneco, and ThyssenKrupp.



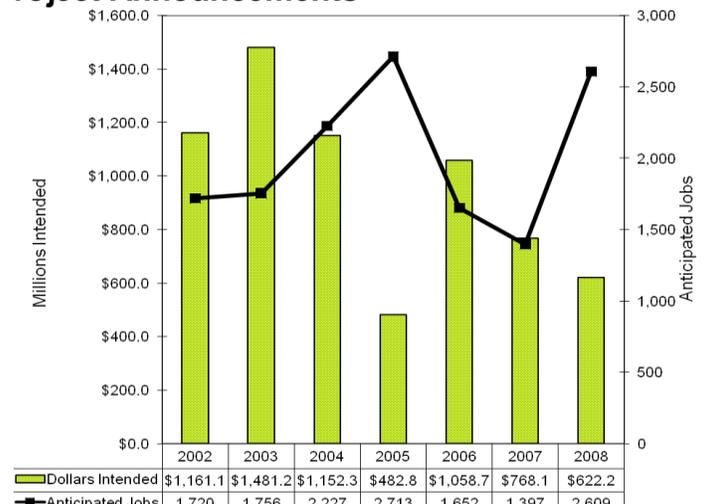
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Capital Expenditures



Source: U.S. Census Bureau

Project Announcements



Source: Ohio Department of Development

Top Five Announced Investments, 2008

Company	County	Product	Dollars (millions)
GM	Trumbull	Cars	\$317.0
GM-Isuzu	Montgomery	Engines	\$63.5
GM	Trumbull	Stampings	\$49.0
Tenneco	Montgomery	Parts	\$27.5
Chrysler	Wood	Parts	\$27.0

Source: Ohio Department of Development

Ohio Trends



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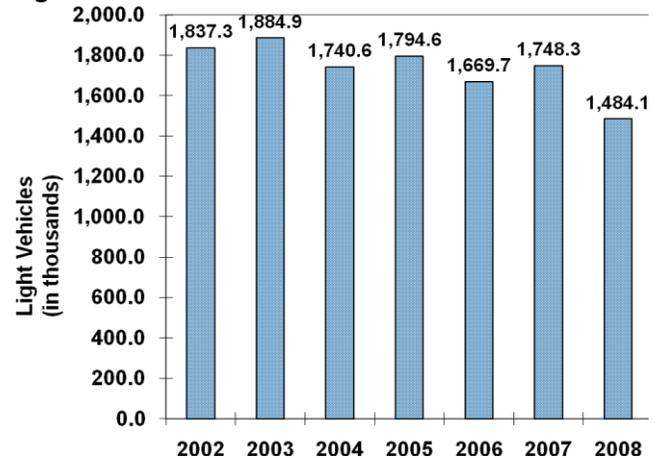
Vehicle Production in Ohio

- In recent years, light vehicle production in Ohio ranged from a high of 1,884,900 in 2003 to a low of 1,484,100 in 2008.
- The production of 1,484,100 vehicles is relatively low in recent history; however it was 17.4 percent of national production in 2008, the highest portion for the state in years.
- Honda is the largest light vehicle manufacturer, assembling nearly 697,600 cars and light trucks at its East Liberty and Marysville plants in 2008.
- Four high-volume assemblers of light vehicles made the following models in Ohio during 2008:
 - Chrysler – the Dodge Nitro, and Jeeps Liberty and Wrangler (all SUVs);
 - Ford – the Econoline (van);
 - GM – the Chevy Cobalt and Pontiac G5/Pursuit (cars), and the Chevy Trail-Blazer, GMC Envoy, Isuzu Ascender, and Saab 9-7X (all SUVs, but production ended in December, 2008);
 - Honda – the Accord and Civic (cars), the CR-V and Element (SUVs), and two Acuras (one car, one SUV).

Employment

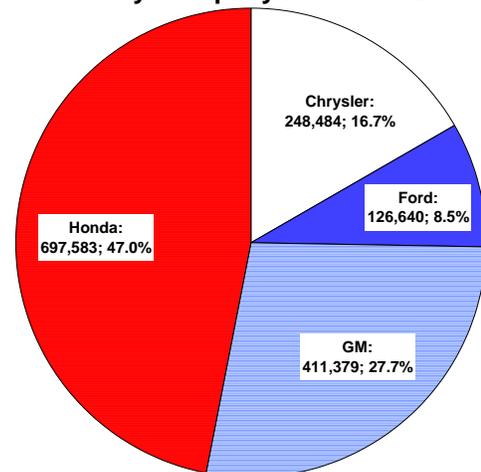
- Employment in Ohio's motor vehicle industry (NAICS codes 3361, 3362 and 3363 combined) was 114,200 in 2007, according to the U.S. Bureau of Labor Statistics.
- A portion of the job losses since 2002 happened in the part group (3363), with employment falling 17.5 percent from 99,100 to 81,700 in 2007.
- A portion of the remaining job losses happened in the assembly group (3361), with employment falling from 33,700 to 24,900; however, this represents a 26.0 percent drop.
- Jobs in the bodies and trailers group (3362) fluctuated, but finished lower in 2007 than in 2002, declining 13.8 percent.
- The most recent data from the Ohio Department of Job and Family Services' Labor Market Information Division lists employment in assembly plants at 11,100, and employment in the parts group at 50,200. (There are no data for bodies and trailers.)

Light Vehicle Production in Ohio



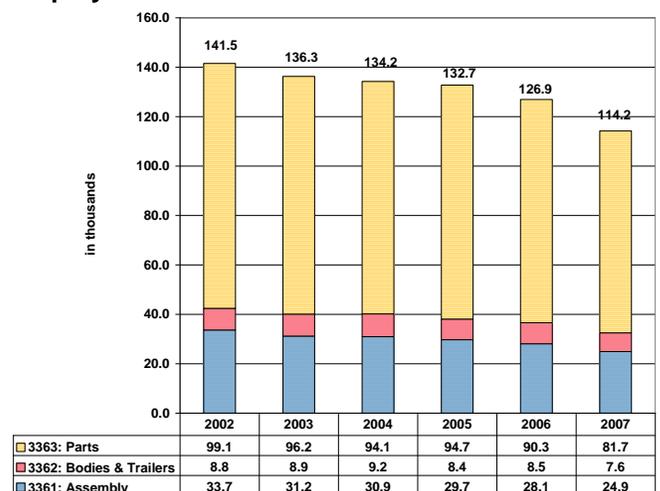
Sources: Automotive News, Ward's Communications

Light Vehicles by Company in Ohio in 2008



Source: Automotive News

Employment



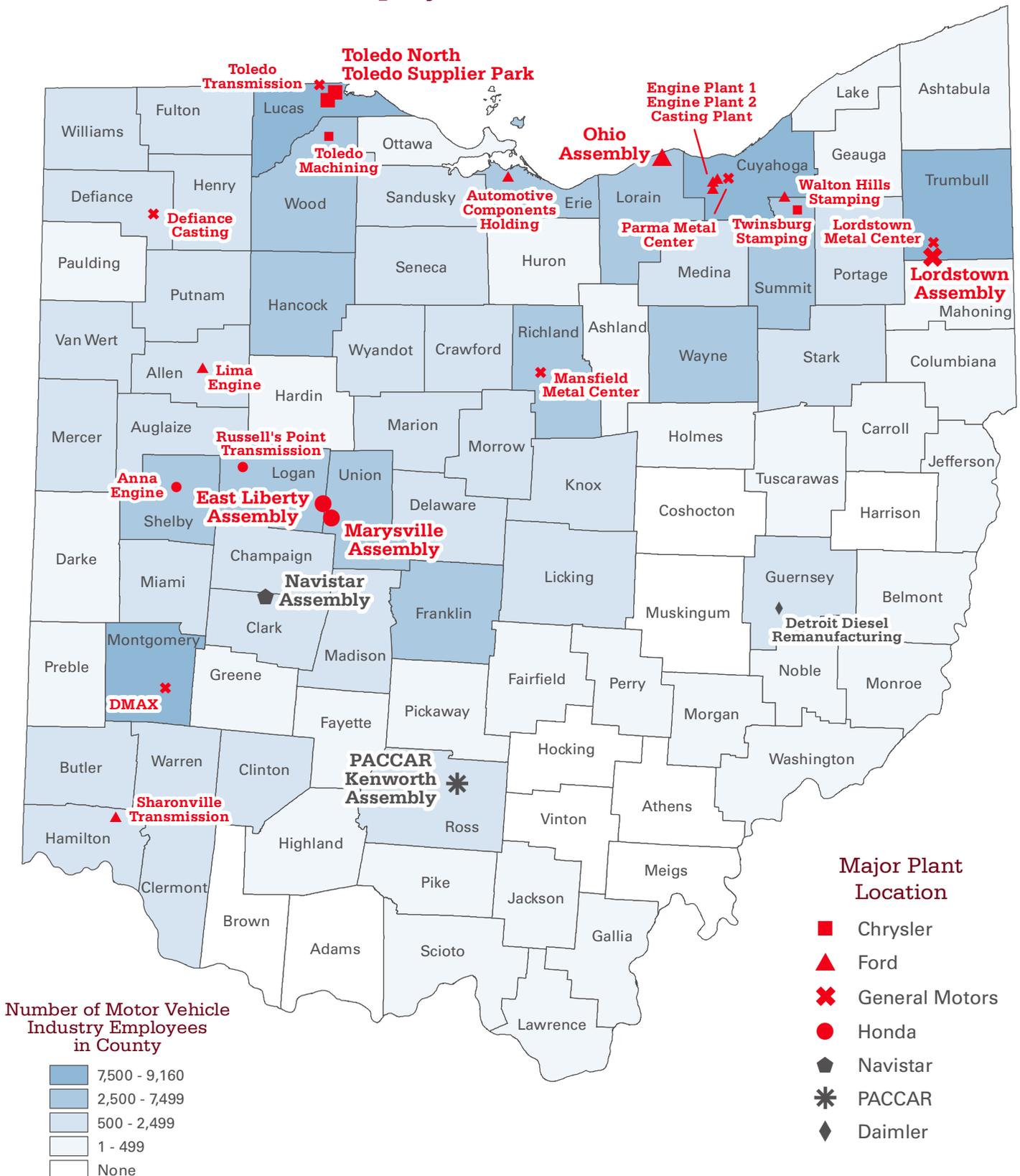
Source: U.S. Bureau of Labor Statistics

Ohio's Motor Vehicle Industry

Estimated Number of Employees



Department of Development



Derived from 2007 County Business Patterns, U.S. Census Bureau

Prepared by: Ohio Department of Development, Policy Research and Strategic Planning (November 2009)