



**Department of
Development**

Policy Research and Strategic Planning Office
A State Affiliate of the U.S. Census Bureau

THE OHIO MOTOR VEHICLE INDUSTRY

February 2009



Ted Strickland, Governor of Ohio
Lee Fisher, Lt. Governor of Ohio
Director, Ohio Department of Development



Department of Development

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Lee Fisher, Lt. Governor

Mark Barbash, Interim Director

Dear Fellow Ohioan:

The Motor Vehicle Industry is facing an unprecedented global transition -- and Ohio, second in the nation for vehicle production, is directly impacted by these changes. From assembly plants to plastic fasteners, Ohio's manufacturers serve the motor vehicle industry, and a wide variety of business sectors depend upon the industry for their revenues.

This report outlines the size, location, and trends of the motor vehicle facilities located in our state. Three-year trends are provided whenever possible. There are detailed profiles on Honda, General Motors, Ford, and Chrysler, as well as an analysis of national trends that will be impacting the big assemblers and the hundreds of Ohio-based suppliers. An Input-Output model of Ohio's economy suggests that more than 370,000 people depend upon the motor vehicle cluster for their jobs and income.

Ohio's diverse industry base makes our state a global market leader. This diversity is complemented by a business environment that facilitates professional success and a high quality of life that allows for personal fulfillment. Ohio's unique combination of life and work amenities makes our state a place where you can achieve true professional and personal balance.

I invite you to review the attached report to further your understanding of Ohio's large and diverse economy. We welcome your input. If you have any questions or comments, please contact John Magill, our Department's Chief Strategic Officer at (614) 466-2116.

Sincerely,

Mark Barbash
Interim Director
Ohio Department of Development



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EXECUTIVE SUMMARY

- Ohio is at the center of the motor vehicle industry – 74.5 percent of N. American light vehicle production is in Ohio or within 500 miles (805 kilometers) of its borders.
- Approximately 20 percent of the state’s manufacturing activity is related to motor vehicle production. With the inclusion of non-manufacturing activities, the total economic output associated with the motor vehicle cluster equals 6.7 percent of Ohio’s output.
- At least 17 different models totaling over 1,748,000 light vehicles came from Ohio’s seven high-volume light vehicle plants during 2007 – nearly one-sixth of U.S. output and second only to Michigan. These include over 200,000 each of some of the nation’s best-selling models: Accords, Cobalts, and Jeeps.
- The three plants assembling cars made 870,000 vehicles – 22.2 percent of U.S. output and second only to Michigan.
- The six plants assembling light trucks made over 878,000 vehicles – about 12.5 percent of U.S. output, and third after Missouri and Michigan.¹
- 47 companies on Fortune’s U.S. 1,000 or Global 500 lists have industry plants in Ohio; six of these maintain world headquarters here.
- Honda is the largest motor vehicle industry manufacturer in Ohio with nearly 12,000 employed in manufacturing operations, followed by General Motors with over 9,100, Ford at almost 8,000, and Cerberus Capital Management (which has the plurality stake in Chrysler and owns Tower Automotive) with 3,700; 21 more companies employ at least 1,000 people here.
- Parts suppliers are smaller but numerous; the 370 tier-1 supplier establishments in Ohio are 9.8 percent of such establishments in N. America, ranking third only to Michigan and Ontario among the surrounding states and provinces.

- 1107,200 people were employed at assembly and supplier plants in 2007, down 28.9 percent from 150,800 in 2000, according to data from ODJFS/LMI; from December, 2007, to December, 2008, employment in the parts group slipped another 1,000, and employment at assembly plants dropped 5,300.
- The industry is diffused across the state – 76 counties have at least one such establishment, but five of every nine jobs were located in Cuyahoga, Hancock, Logan, Lucas, Montgomery, Richland, Shelby, Summit, Trumbull and Union counties.
- The greatest concentrations of industry employment in Ohio occur in metal stamping (21.9 percent of the U.S.) and air-conditioning and brake systems (both 18.4 percent).
- Dozens of companies (or their subsidiaries) from 12 foreign nations employ over 44, 000 people in assembly and parts production in Ohio; 13 of them are on Fortune's Global 500 list.
- Ohio was second in the nation in value-added to motor vehicles and parts during the 1997-2006 period; these strong rankings explain the state's overall position of second in the motor vehicle industry.
- Overall capital expenditures for the industry in Ohio were roughly proportional to value-added during the 1997-2006 period.
- 152 industry investment announcements by 114 companies during the most current three year period (2005-2008) totaling \$3.0 billion were recorded by the Ohio Department of Development.
- The latest available data show that overall motor vehicle industry wages/salaries in Ohio – almost \$53,500 per year – are \$17,000 higher than the overall average for all non-agricultural employment; average wages/salaries within the industry range from \$36,400-plus in tire retreading to \$70,000 in light vehicle assembly.



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