

Ohio's Computer and Electronic Products Industry

Ohio's Standing

- 30 thousand Ohio workers are employed in the computer and electronic products industry (NAICS 334).
- Sales are \$9.5 billion, and Ohio ranks 14th in value-added manufacturing among the 50 states.
- The American Electronics Association (AeA) annually publishes a state-by-state overview of the high-technology industry called *Cyberstates*. The computer and electronic products industry comprises all but a small portion of the study's high-tech manufacturing sector.
- Ohio ranks 13th in high-tech manufacturing jobs, according to AeA's 2003 report.

Leading Companies by product category

Electronic Instruments

- This is the largest and most diverse of the four major sub-sectors and includes makers of navigational, measuring, medical, and industrial control instruments.
- Major manufacturers include Emerson Electric (temperature controls); Philips Medical Systems (imaging equipment); ABB Automation (industrial control systems); Rockwell Automation (industrial controls); Lockheed Martin (electronic defense systems), and Keithley Instruments (test instruments).

Computer & Peripheral Equipment

- Ohio's strength lies in peripheral equipment. NCR and Diebold are two of the largest makers of ATMs in the world.
- Eastman Kodak (formerly, Scitex) employs 600 workers at a facility in Kettering that makes and designs digital printers.

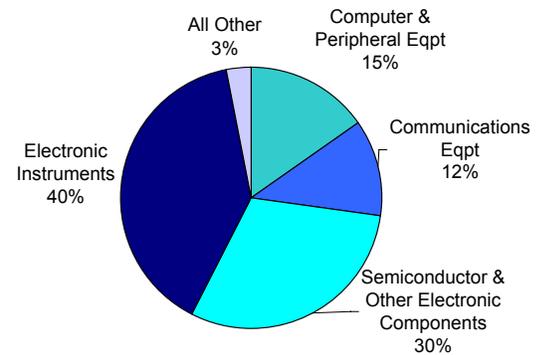
Communications Equipment

- A few years ago this was a fast growing industry. When orders from telecommunications giants declined, so did employment at plants operated by Lucent Technologies, Marconi Communications, and Peco II.

Semiconductor and Other Electronic Components

- Sumco Phoenix Corp, Ohio's largest manufacturer of silicon wafers, recently announced plans to expand its Warren County plant from 340 to 600 workers.
- Ohio is a leader in the production of picture tubes with about one-fourth of the national employment total. MT Picture Display/Panasonic employs 1,200 workers in Troy.

Employment Share by Sector

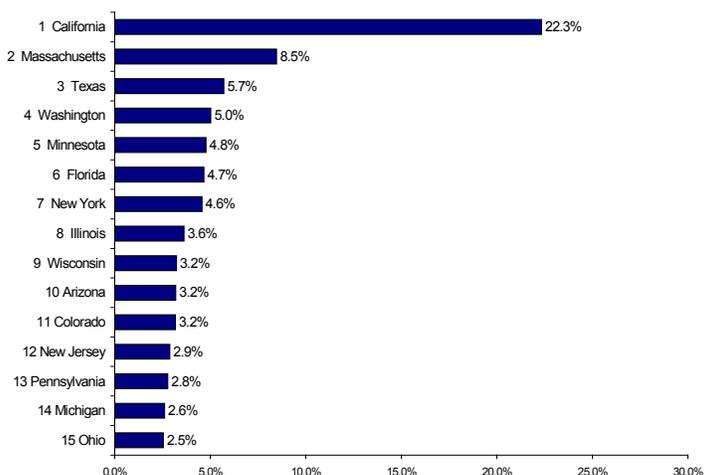


Source: Harris InfoSource

Top Employers

Company	County	Employment
NCR Corp	Montgomery	2,500
Emerson Electric	Richland/Hamilton	1,400
MT Picture/Panasonic	Miami	1,200
Lucent Technologies	Franklin	1,200
Philips Medical Systems	Cuyahoga	1,000
Diebold	Stark/Licking	860
ABB Inc	Lake	750

Electronic Instruments: share of U.S. production



Source: U.S. Census Bureau

Key Trends

Employment

- ❑ The computer and electronic products industry employed 30 thousand Ohio workers at the end of 2003.
- ❑ During the 1990s, industry employment gradually declined—rebounding to 41.1 thousand in December 2000. From that peak to December 2003, employment declined 39 percent.
- ❑ Nationally, employment declined 37 percent over this same three-year span. The industry lost more than half a million jobs, with the semiconductor and electronic components category accounting for one-half of this decline.
- ❑ The reasons for these overall declines are many—international competition, customers cutting spending, and improvements in productivity.

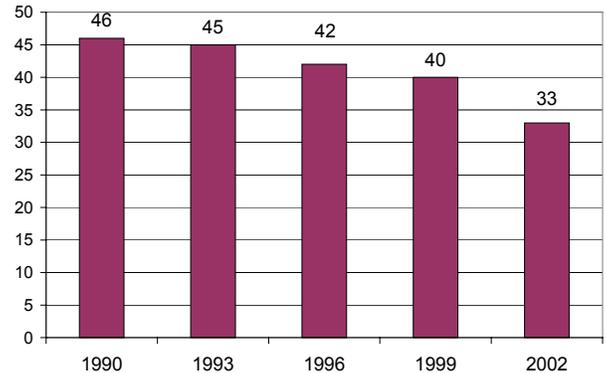
Employment Projections

- ❑ The most recent set of employment projections from the Ohio Bureau of Labor Market Information covers the period from 2000 to 2010.
- ❑ The Bureau believes that the computer and peripheral equipment and communications equipment sectors will each experience a decline in employment over this ten-year period.
- ❑ By contrast, the Bureau sees opportunities for overall job expansions in the semiconductor and electronic components and electrical instruments sectors.

Exports

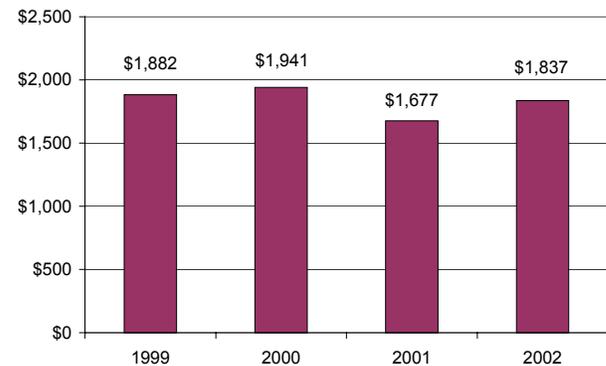
- ❑ Export statistics from the U.S. Department of Commerce indicate that exports account for approximately 20 percent of industry sales. Unlike employment figures, export shipments have held steady.
- ❑ Canada is the largest market for computer and electronic products exported from Ohio, importing about one-third of the \$1.8 billion total. Mexico, Japan, China, and The Netherlands round out the top five markets.

Employment (in thousands)



Source: Ohio Bureau of Labor Market Information

Exports (in millions of dollars)



Source: U.S. Department of Commerce

Investment Trends

- ❑ Ohio computer and electronic products manufacturers typically spend \$266 million a year on new construction, machinery, and equipment, according to the U.S. Census Bureau.
- ❑ The Department recorded 13 major projects in 2001 and again in 2003. Investment figures were buoyed in each of these years by a single, large project. In 2001, THK Manufacturing, a Japanese-owned company that makes linear motion control systems, invested \$70 million in its Hebron operations. In 2003, Sumco said it would invest \$51 million at its Warren County plant.
- ❑ Planned expansions dropped sharply—consistent with employment trends—in 2002. Out of the six projects that year, the largest was a \$17 million expansion at the Japanese-owned MT Picture Tube/Panasonic plant in Troy.

Recent Projects

- ❑ Sumco (Sumitomo Mitsubishi Silicon Corp), a Japanese-owned joint venture, recently announced plans to expand its Warren County plant.

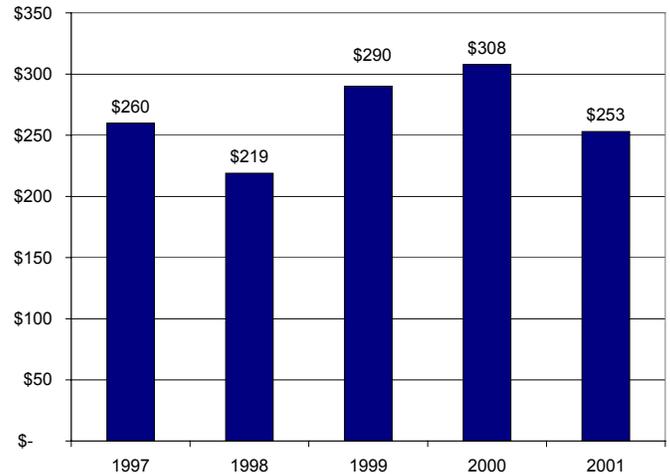
The plant makes silicon wafers for semiconductors used in industrial and automotive applications.

The company will hire 260 people to join the current staff of 340 workers and will spend \$50 million on equipment.

Sumco is the world's second largest silicon wafer manufacturer.

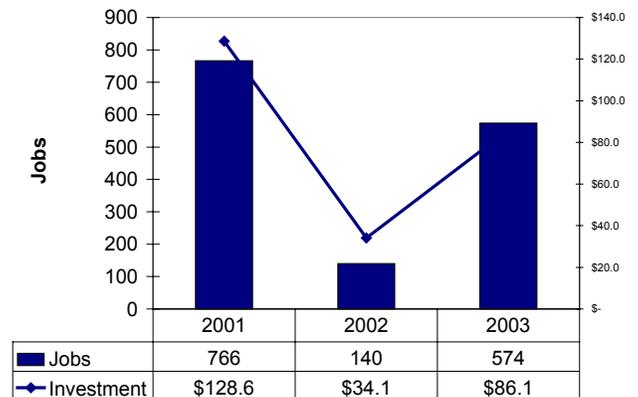
- ❑ Lockheed Martin Corp is expanding its Maritime Systems & Sensors facility in Akron by 93 workers in an effort to develop and eventually manufacture an unmanned, helium-filled airship that will provide high-altitude surveillance of ballistic missiles and air threats approaching the continental U.S.

Capital Expenditures



Source: U.S. Census Bureau

Announced Investments



Source: Ohio Department of Development

