

# The Ohio Motor Vehicle Industry

## Contribution to the Economy

- Ohio's motor vehicle industry (NAICS 3361-3) produced \$19.3 billion (B) of goods in 2006 – about 13.4 percent of the U.S. output and second only to Michigan.
- The 32.4 percent increase in Ohio's industry output from 2001 through 2006 nearly matched the corresponding increase across the nation.
- The \$19.3B also represents 5.0 percent of Ohio's Gross Domestic Product (GDP). By comparison, the motor vehicle industry is 1.3 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 16 percent of the state's private sector.

## Vehicle Production

- Over 1,748,000 cars and light trucks (vans, SUVs and pick-ups) were assembled in Ohio's seven high-volume plants during 2007 – 16.5 percent of total U.S. production, and second only to Michigan.
- Over 878,000 light trucks were assembled by Chrysler, Ford, General Motors, and Honda during 2007 – 13.2 percent of the U.S. total, and third after Michigan and Missouri.
- 870,000 cars were assembled by General Motors and Honda during 2007 – 22.2 percent of the national total, and second only to Michigan.
- Navistar International manufactures buses and medium- and heavy-duty trucks in Springfield, and PACCAR's Kenworth division assembles heavy-duty trucks in Chillicothe.

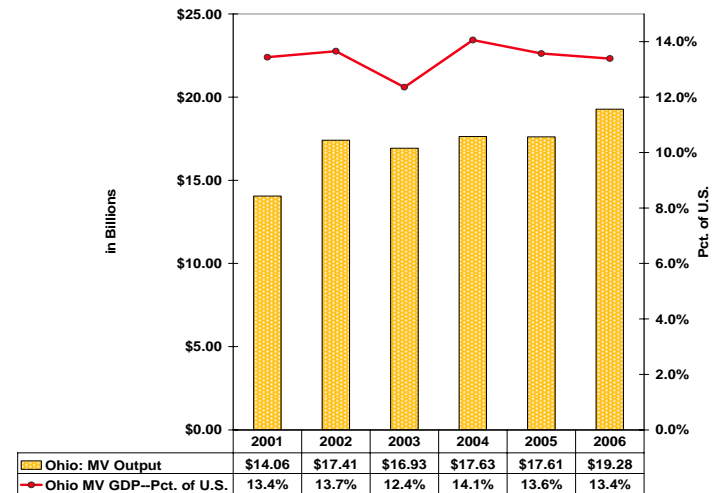
## Key Sectors

- 680 motor vehicle industry establishments in Ohio employed almost 127,000 people; i.e., 11.9 percent of all such workers in the nation in 2006.
- The greatest concentrations of industry employment in Ohio occur in gasoline engines and parts, metal stamping, vehicular lighting equipment and air-conditioning.

## Suppliers

- 12 percent of the 1,815 tier-1 motor vehicle parts companies operating in N. America have one or more plants in Ohio. Among the surrounding states and province, only Michigan has more companies.

## Motor Vehicle Industry GDP in Ohio, 2001-2006 (standardized on 2000)



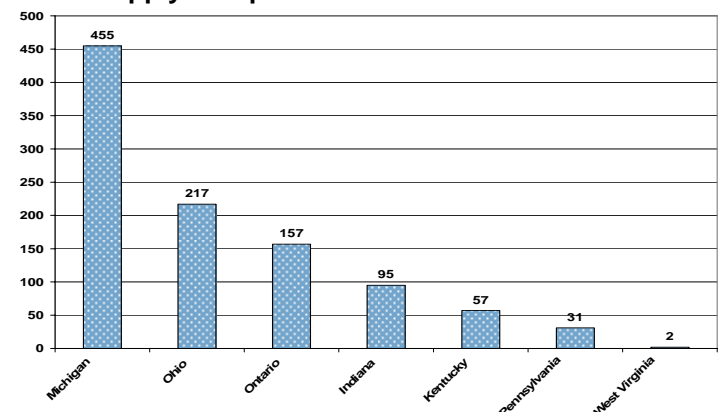
Source: U.S. Bureau of Economic Analysis

## Ohio's Share of U.S. Employment

NAICS Code	Selected Industries	Share of U.S.
3361-3	Motor Vehicle Industry	11.9%
336111	Automobiles	10.6%
336112	Light Trucks	14.8%
33612	Heavy-Duty Trucks	10.1%
3362	Bodies & Trailers	4.9%
336312	Gas Engines & Parts	19.5%
336321	Vehicular Lighting Eqpt.	17.2%
33633	Steering & Suspension Parts	12.2%
33634	Brake Systems	10.7%
33635	Transmission & Power Train Parts	12.4%
33636	Seating & Interior Trim	8.6%
33637	Metal Stamping	19.5%
336391	Air-Conditioning	15.2%

Source: U.S. Bureau of Labor Statistics

## Tier-1 Supply Companies



Source: ELM International (2008)

# Ohio Trends



Department of Development

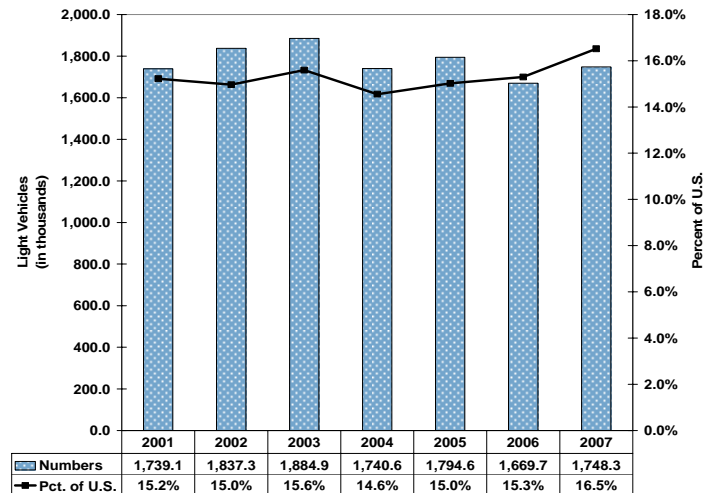
## Vehicle Production in Ohio

- Light vehicle production in Ohio has ranged from just under 1,670,000 (2006) to almost 1,999,000 (1997) in recent years.
- While 2007's output of 1,748,000 vehicles is historically low, its portion of national production is one of the highest for the state in recent years – 16.5 percent.
- Honda was the largest light vehicle manufacturer, assembling just over 701,000 cars and light trucks at its E. Liberty and Marysville plants in 2007.
- Honda was the most car-oriented assembler of the four, with cars comprising 84.1 percent of its production; GM's production was 57.3 percent cars; Chrysler and Ford made only light trucks.
- Models made in Ohio: 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 Buick Rainier, Chevy TrailBlazer, GMC Envoy, Isuzu Ascender, and Saab 9-7X (all SUVs); Honda – the Accord and Civic (cars), the CR-V and Element (SUVs), and two Acuras (one car, one SUV).

## Employment

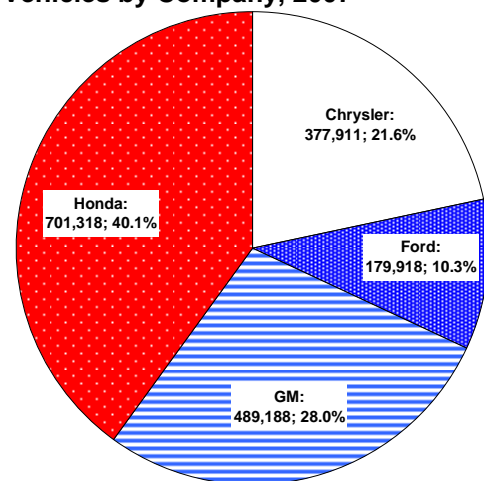
- Employment in Ohio's motor vehicle industry dropped from just over 150,000 in 2001 to a little less than 127,000 in 2006 (the most recent data from the U.S. Bureau of Labor Statistics).
- Most of the job losses happened in the part group (NAICS 3363); employment fell from 104,500 to 90,300 – a 13.6 percent decline.
- Most of the remaining job losses happened in the assembly group (3361), with employment falling from 36,600 to 28,100; however, this represents a 23.2 percent drop.
- Jobs in the bodies and trailers group (3362) fluctuated, but finished lower in 2006 than in 2001, declining seven percent.
- The most recent data from the Ohio Dept. of Job and Family Services' Labor Market Information Division lists employment in assembly plants at 24,700, and employment in the parts group at 76,700. (No data for bodies and trailers.)

## Light Vehicle Assembly



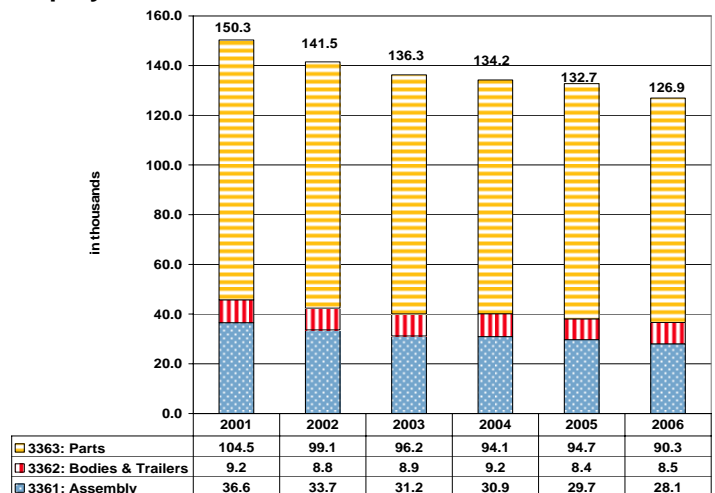
Sources: Automotive News, Ward's Communications

## Light Vehicles by Company, 2007



Source: Automotive News

## Employment



Source: U.S. Bureau of Labor Statistics

# Investment Trends



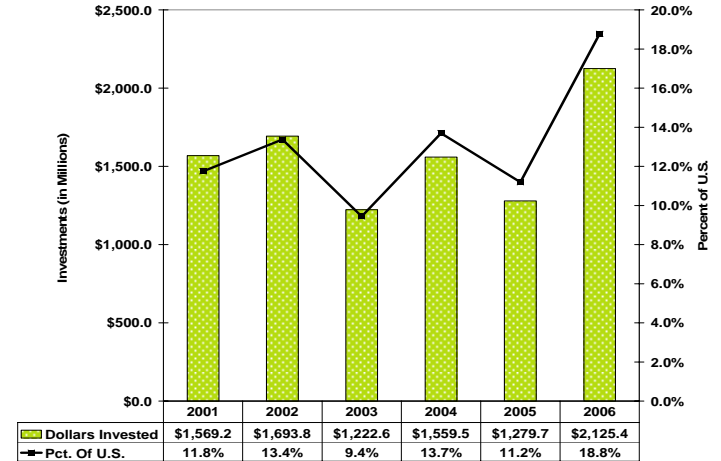
Department of  
Development

- Investment in Ohio's motor vehicle industry (NAIC 3661-3363 combined) ranged from just over \$1.2 billion (B) to over \$2.1B during the 2001-2006 period; this was anywhere from 9.4 to 18.8 percent of the national total.
- On average, almost 73 of every 100 dollars invested went for parts production (NAICS 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

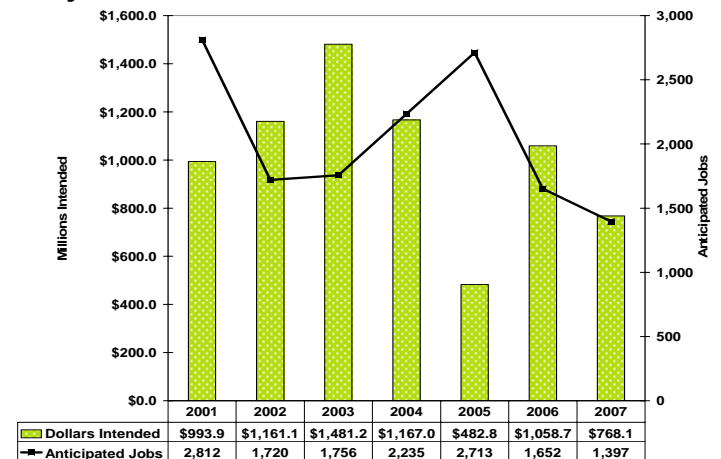
- Since 2001, motor vehicle industry companies have announced 337 major projects with intentions to invest over to \$7B. Almost 14,000 new jobs were anticipated. 2003 was the peak year for projects – \$1.48B, while 2005 saw the largest number of new jobs anticipated – over 2,700.
- 296 of the 337 projects, with over \$5.6B of planned expenditures, were for parts plants – including those not classified in NAICS 3363 but whose products were incorporated into motor vehicles; well over 11,900 new jobs were anticipated.
- 19 assembly plant projects planned to invest \$1.25B, but less than 200 new jobs were anticipated. The \$202 million (M) planned by body and trailer plants anticipated 2,130 new jobs.
- Assemblers dominated the spending plans: General Motors – \$1.93B; Ford – \$1.44B; Honda – \$586M; and DaimlerChrysler – \$450M (figures included their parts plants).
- Other companies planning to invest at least \$50M included Behr, Delphi, Findlex, KTH Parts, Nissin Brake Ohio, KUKA, Lear, LuK, Kenworth, Faurecia Exhaust Systems, Pacific Manufacturing, ThyssenKrupp, and Visteon.

## Capital Expenditures



Source: U.S. Census Bureau

## Project Announcements



Source: Ohio Dept. of Development

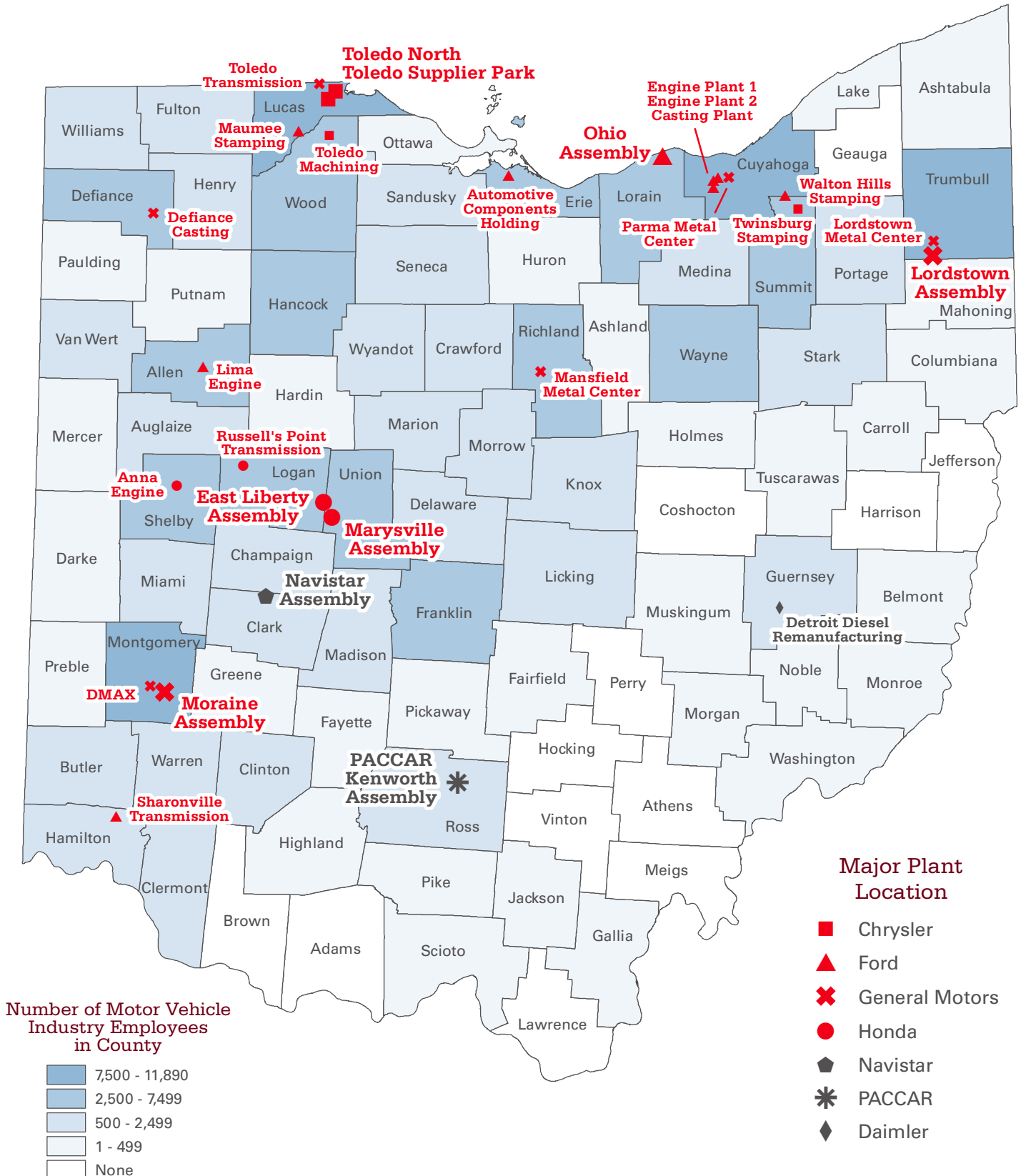
## Top Five Announced Investments, 2007

Company	County	Product	Dollars (millions)
GM	Lucas	Transmissions	\$332.0
Ford	Hamilton	Transmissions	\$200.0
GM	Defiance	Engine blocks	\$61.0
Nissin	Hancock	Brakes	\$50.0
Armor	Butler	Vehicle armor	\$37.0

Source: Ohio Dept. of Development

# Ohio's Motor Vehicle Industry

## Estimated Number of Employees



Derived from 2006 County Business Patterns, U.S. Census Bureau

Prepared by: Ohio Department of Development, Policy Research and Strategic Planning (August 2008)