



TRACKING THE GROWTH OF ALABAMA'S AUTOMOTIVE MANUFACTURING INDUSTRY

Dr. Mary S. Spann

Office of Economic Development, University of Alabama in Huntsville

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Alabama's rapidly growing automotive industry, with thousands of jobs still to come, already accounts for 30,180 direct jobs and a \$1.4 billion annual payroll, according to a study sponsored by the Alabama Automotive Manufacturers Association and the Alabama Technology Network.

The recently completed survey of Alabama's automotive manufacturing industry reports on the growth in automotive manufacturing from 2001 to 2002. The current survey follows a 2001 survey, which provided the baseline for future studies.

The project surveyed Alabama plants that produced raw materials, or manufactured or assembled parts, sub-assemblies, components or modules that end up in or on motor vehicles as well as the assembly of the vehicles themselves. These vehicles included cars, SUVs, mini-vans and trucks. Also included in the study were Alabama plants that manufactured plant floor equipment; tooling and fixturing; and customized packaging used in automotive manufacturing. Data were collected using a variety of methods including mail surveys, on-line surveys, and phone calls.

One hundred sixty-two (162) automotive plants responded to the survey, 112 from the 2001 survey plus 50 new plants. Of the 50 new companies, 13 had established a presence in Alabama during 2002. The remaining companies were established Alabama companies new to the industry or new to the survey.

As shown in Table 1 below, the automotive supply chain has continued to develop as new suppliers have established operations in the state and existing manufacturers have expanded their business base to include automotive.

**Table 1
Supply Chain Roles**

Role	2001	2002
Vehicle Assembly Plant	5	6
Tier 1	53	68
Tier 2	37	48
Tier 3	14	28
Tier 4	3	6
After Market only	4	6
Total	116	162

Much of Alabama automotive manufacturing occurs in small companies; 95 plants employ 100 or fewer associates. Many of these small companies are new to the state. Sixty of the 162 companies began operations in Alabama after 1995, many responding to the supply chain needs of Mercedes-Benz U.S. International in Tuscaloosa County and Honda Manufacturing of Alabama LLC in Talladega County.

Figure 1 shows the locations of automotive plants in Alabama. The number of plants in the 2002 survey precedes the number of plants in the 2001 survey.

In addition to growth in the number of industry participants, the industry also grew in plant floor space and in number of employees between 2001 and 2002. Table 2 outlines floor space in millions of square feet and number of employees by the regions illustrated by the map in Figure 1. Table 2 shows that all regions grew from 2001 to 2002 but the major growth in employment occurred in Region 2, home to the Mercedes-Benz and the Honda vehicle assembly plants. The major growth in floor space occurred in Region 3, which reflects the construction of the new Hyundai Motor Manufacturing Alabama LLC assembly plant and the plants of its suppliers.

Region 4 also benefited from the location of the Hyundai plant in Montgomery County.

At this time in the development of automotive manufacturing in Alabama, growth in floor space is outpacing growth in employment indicating the simple fact that plants must be built before they are staffed and the promise of future growth in employment as associates are hired to work in these new plants.

Figure 1
Alabama Counties with Automotive Plants

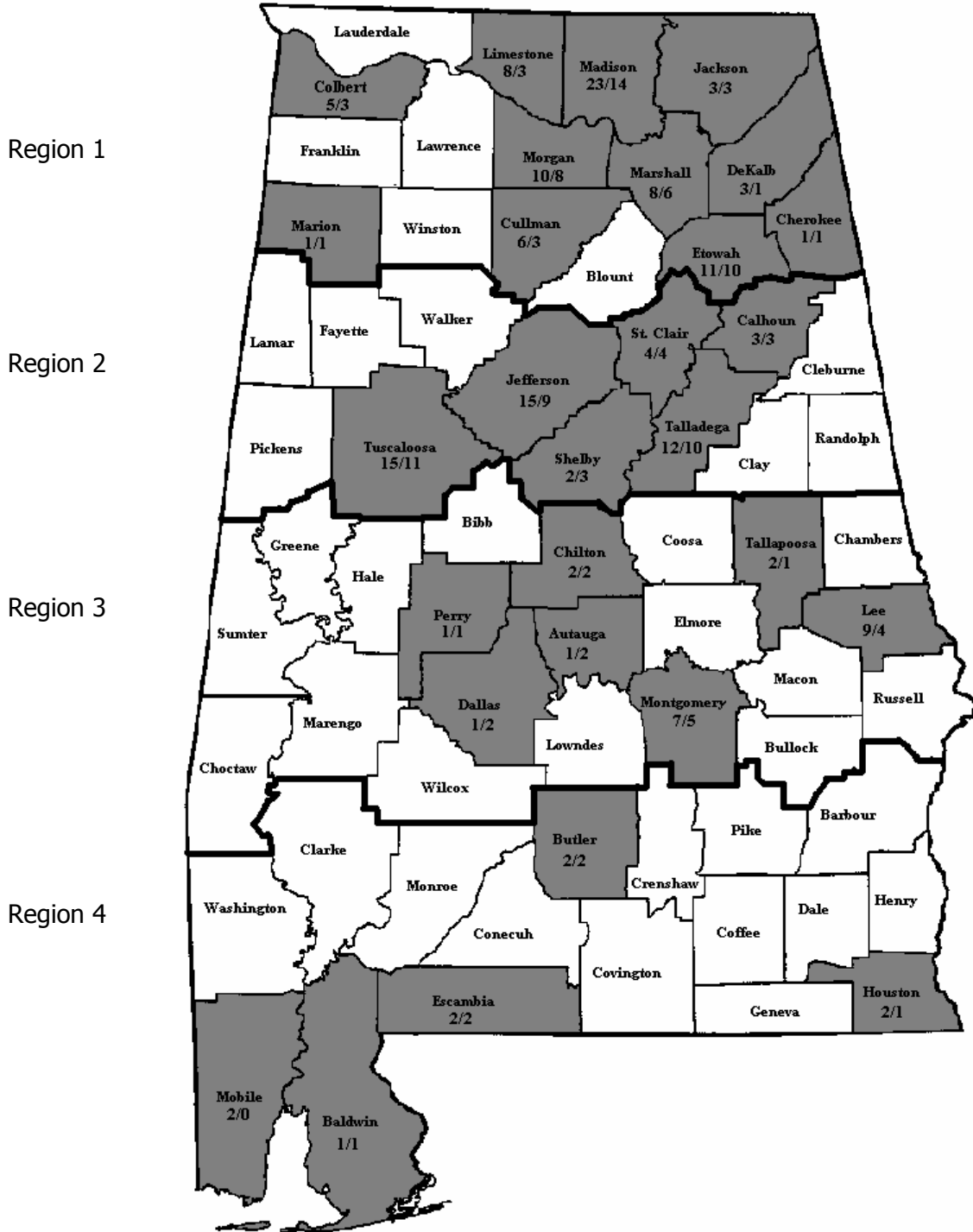


Table 2
Growth in Floor Space and Employment

	Floor Space* (sq. ft.)			Employment		
	2001	2002	Growth	2001	2002	Growth
Region 1	13.8 M	16.4 M	+18.8%	12,613	13,805	+9.5%
Region 2	8.0 M	9.7 M	+21.3%	8861	10,396	+17.3%
Region 3	3.1 M	5.5 M	+77.4%	2916	3290	+12.8%
Region 4	2.4 M	3.7 M	+54.2%	2533	2676	+5.6%
Total	27.3 M	35.4 M	+29.3%	26,924	30,180	+12.1%
Plants	116	162		116	162	

* Includes plants under construction

Table 3 ranks Alabama counties in terms of number of automotive industry jobs. Location is key. Counties that rank among the top are located near to vehicle assembly plants and major suppliers inside and outside the state.

Table 3
Top Ten Counties

County	Jobs	Floor Space* (sq. ft.)	Number of Plants
Madison	5595	4.75 M	23
Tuscaloosa	4980	4.42 M	15
Talladega	3209	2.41 M	12
Limestone	2876	1.93 M	8
Etowah	2133	4.46 M	11
Lee	1816	2.11 M	9
Marshall	950	0.68 M	8
Cullman	867	1.10 M	6
Jefferson	752	1.98 M	15
Montgomery	497	2.6 M	7

* Includes plants under construction

About 32% of 2002 automotive manufacturing jobs are in the vehicle parts industry sector, 25% in the tire sector, 17% in vehicle assembly, 11% in automotive electronics, 6% in extrusions and plastics, 5% in metal stamping, 2% in value-added kitting and packaging, and the remaining 2% in machinery manufacturers, tool and die makers and machine shops.

Alabama has a diverse set of automotive manufacturers including 19 extrusion and plastics plants, 14 automotive electronic plants, 11 tire and tire material plants, 10 metal processors, 9 seating and interior trim plants, 9 metal stampers, 8 transmission plants, 6 vehicle assembly plants, 5 engine plants and a number of plants representing other sectors of the industry.

Automotive parts manufactured in Alabama end up in cars made throughout North America. Some 52% of Alabama plants have major customers in Alabama. Others primarily supply the industry outside of the state.

In 2002, automotive manufacturing in Alabama accounted for 30,180 jobs as compared to 26,924 jobs in 2001. The 30,180 direct jobs in automotive manufacturing created 53,530 indirect jobs¹. The 3236 new jobs represent a growth of 12% with about one-half of those jobs in companies new to the survey and the other half coming from existing industry. Direct payroll for Alabama's automotive manufacturing jobs amounted to \$1.4 billion in 2002, while payroll for the associated indirect jobs amounted to \$1.62 billion².

The automotive industry in Alabama continued to grow during the course of the study. Public announcements of automotive manufacturing plants moving to Alabama continued to make the news. Fifteen new companies will start operations in the state over the next few year and four counties, Lowndes, Macon, Crenshaw and Coffee, are being added to Alabama's automotive map. An estimated 8600 new associates will be hired in the industry over the next few years; 2000 at the expanding Mercedes-Benz plant, 2000 at the expanding Honda plant, 2000 at the new Hyundai plant and another 2800 jobs in new supplier companies.

¹ Indirect jobs were calculated using the Regional Information Modeling System (RIMSII) for the State of Alabama. RIMSII was developed by the Bureau of Economic Analysis, U.S. Department of Commerce

² Indirect payroll was calculated using the Regional Information Modeling System (RIMSII) for the State of Alabama. RIMSII was developed by the Bureau of Economic Analysis, U.S. Department of Commerce

Survey Respondents

<u>AAMA</u> <u>Member</u>	<u>Company</u>	<u>City</u>	<u>County</u>	<u>New to</u> <u>Survey</u>
	3M/Dyneon	Decatur	Morgan	
	ACC Performance, Inc.	Muscle Shoals	Colbert	
*	Ace Packaging Systems, Inc. - Birmingham	Birmingham	Jefferson	
*	Ajax TOCCO Magnetic	Boaz	Marshall	
*	Alabama Precision Mold, LLC	Cottondale	Tuscaloosa	
*	Alto Products Corporation	Atmore	Escambia	
*	American Metal Technology, Inc.	Pell City	St Clair	
	American Technologies, Inc.	Montgomery	Montgomery	
*	AmPro Custom Molding	Leeds	Jefferson	#
*	AP Technoglass Alabama, Inc.	Alabaster	Shelby	
*	Arab Interior Trim, LLC	Arab	Marshall	
*	ARD Logistics	Cottondale	Tuscaloosa	#
	Arkay Plastics Alabama, Inc.	Prattville	Autauga	
*	Assurance Packaging, Manufacturing, LLC	Talladega	Talladega	
*	Automotive Containment and Consulting, Inc.	Lincoln	Talladega	
*	BL Fabricators, Inc.	Scottsboro	Jackson	
*	Bobo Engineering	Arab	Marshall	#
*	Bostrom Seating, Inc.	Piedmont	Calhoun	
*	Bowden Industries, Inc.	Huntsville	Madison	
*	BREED Technologies, Inc.	Greenville	Butler	
*	Carlisle Engineered Products, Inc.	Tuscaloosa	Tuscaloosa	
*	CGR Valley Products, Inc.	Decatur	Morgan	
*	Chiptec, Inc.	Decatur	Morgan	
*	Choice Fabricators	Rainbow City	Etowah	#
*	Citation Columbiana	Columbiana	Shelby	
*	Citation Southern Aluminum Castings Company	Bay Minette	Baldwin	
*	Citation Southern Ductile, Inc.	Bessemer	Jefferson	
*	Citation-Alabama Ductile (Brewton)	Brewton	Escambia	
*	Coilplus-Alabama, Inc.	Athens	Limestone	
*	CRH North America	Clanton	Chilton	
*	CT-South Inc (Citation Marion)	Marion	Perry	
*	DaimlerChrysler Huntsville Electronics	Huntsville	Madison	
	Dana Corporation	Montgomery	Montgomery	
*	Delphi Automotive Systems, Inc	Cottondale	Tuscaloosa	
*	Delphi Automotive Systems, Inc. Saginaw Steering Systems	Athens	Limestone	
	Delphi Harrison Thermal Systems, Inc.	Tuscaloosa	Tuscaloosa	
	Delphi Packard Automotive Systems	Gasden	Etowah	
*	Delta Automotive, Inc.	Sheffield	Colbert	

AAMA Member	Company	City	County	New to Survey
	Diamond Tool and Technologies LLC	Athens	Limestone	#
*	Dixie Tool and Die, Inc.	Rainbow City	Etowah	#
	Donaldson Company, Inc.	Auburn	Lee	
*	EFP Corporation	Decatur	Morgan	#
*	Engelhard Corporation	Huntsville	Madison	
*	Excellance, Inc.	Madison	Madison	
*	Federal Mogul Sealing Systems, Inc.	Athens	Limestone	#
*	Federal-Mogul Corporation	Boaz	Marshall	
	Futaba Corporation of America, Inc.	Huntsville	Madison	
*	Global Systems Inc.	Decatur	Morgan	#
	Goodyear Dunlop Tire Corporation	Huntsville	Madison	
	Goodyear Tire & Rubber Company	Gadsden	Etowah	
*	Hanna Steel Corporation	Gadsden	Etowah	
*	HESCO, Inc.	Birmingham	Jefferson	
*	HiSAN, Inc.	Scottsboro	Jackson	
	HL-A Co., Inc.	Selma	Dallas	
	Hoerbiger Drivetech	Auburn	Lee	
	Hoerbiger Haudralics	Auburn	Lee	#
*	Honda Manufacturing of Alabama, LLC	Lincoln	Talladega	
*	Hopkins Assembly & Packaging, Inc.	Tuscaloosa	Tuscaloosa	
*	Hunjan International, Inc.	Anniston	Calhoun	
*	Hyundai Motor Manufacturing Alabama, LLC	Montgomery	Montgomery	#
	Industrial Manufacturing Specialists	Decatur	Morgan	
*	Innomotive Systems; U.S., Inc	Northport	Tuscaloosa	#
*	Inspec Tech	Valley Head	DeKalb	#
*	International Diesel of Alabama, LLC	Huntsville	Madison	
*	JIT Services, Inc.	Huntsville	Madison	
*	Johann A. Krause, Inc.	Huntsville	Madison	#
*	Johnson Controls, Inc.	Cottondale	Tuscaloosa	
*	Kauth Automotive US, LLC	Auburn	Lee	#
*	KTH Leesburg Products, LLC	Leesburg	Cherokee	
	Kumi Manufacturing Alabama, LLC	Clanton	Chilton	
*	Label-Aid Systems, Inc.	Madison	Madison	#
*	Lindy Industries, Inc.	Huntsville	Madison	
	Matcor Automotive, Inc.	Huntsville	Madison	#
*	McCord Leakless Sealing Co., Inc.	Athens	Limestone	
*	McGriff Treading, Inc.	Mobile	Mobile	#
*	McGriff Treading, Inc.	Cullman	Cullman	
*	Mercedes-Benz US International, Inc.	Tuscaloosa	Tuscaloosa	
*	Merryweather Foam, Inc.	Sylacauga	Talladega	#
*	Metalwest LLC	Birmingham	Jefferson	#
	Michelin North America, Inc.	Dothan	Houston	
*	Mid-South Industries- Electronics	Gadsden	Etowah	

AAMA Member	Company	City	County	New to Survey
*	Mid-South Industries -Tool and Die	Gadsden	Etowah	
*	Mid-South Industries-Precision Automation	Rainbow City	Etowah	
*	Mid-South Industries-Stamped Products	Gadsden	Etowah	
*	Mid-South Industries-Techtrix	Gadsden	Etowah	
	Mobile Rosin Oil Company, Inc	Mobile	Mobile	#
*	Motion Industries, Inc.	Birmingham	Jefferson	
	MT South Manufacturing	Sylacauga	Talladega	#
*	NCI Manufacturing, Inc.	Scottsboro	Jackson	
*	New South Express, Inc.	Talladega	Talladega	
	North American Bus Industries, Inc.	Anniston	Calhoun	
	NTN-Bower Corporation	Hamilton	Marion	
*	Nypro Alabama Inc	Dothan	Houston	#
*	Ogihara America Corporation	Birmingham	Jefferson	
*	Opelika MetalFab, Inc (O.M.I.)	Opelika	Lee	#
*	Oris Automotive Parts Alabama, Ltd	Bessemer	Jefferson	
	Oxford Automotive	McCalla	Jefferson	#
*	Pinson Valley Heat Treating	Pinson	Jefferson	#
*	Plasma Processes, Inc	Huntsville	Madison	#
	PPG Industries	Talladega	Talladega	
*	Precision Strip, Inc.	Talladega	Talladega	
*	Precision Trim, Inc.	Boaz	Marshall	
*	Preferred Sourcing, Inc.	Pell City	St Clair	
*	Pressac, Inc.	Cullman	Cullman	
*	Product Action International, Inc.	Huntsville	Madison	#
*	Product Action International, Inc.	Lincoln	Talladega	
*	Product Action International, Inc.	Tuscaloosa	Tuscaloosa	#
*	Progressive Plastics, Inc.	Gasden	Etowah	
*	Prolific Plastics, Inc.	Opelika	Lee	
	Quality Manufacturing, Inc.	Talladega	Talladega	
*	Radical Systems, Inc.	Huntsville	Madison	#
	Rainsville Technology, Inc.	Rainsville	DeKalb	
*	Recticel North America, Inc.	Tuscaloosa	Tuscaloosa	#
*	Regitar U.S.A., Inc.	Montgomery	Montgomery	
*	REHAU Inc.	Cullman	Cullman	
*	Robbins, LLC	Muscle Shoals	Colbert	
*	Robinson Foundry, Inc.	Alexander City	Tallapoosa	
*	Satterfield, Inc.	Alexander City	Tallapoosa	#
*	Sherwin Williams Co., Chemical Coatings Group	Birmingham	Jefferson	#
*	Single Source Packaging, LLC	Trussville	Jefferson	#
*	Smith's Machine, Inc.	Cottondale	Tuscaloosa	
*	Soldering Technology International, Inc.	Madison	Madison	#

AAMA Member	Company	City	County	New to Survey
*	Southern Handling Systems, Inc.	Montgomery	Montgomery	#
*	Specialty Metal Works, Inc.	Montgomery	Montgomery	
	Stahlschmidt & Maiworm USA Inc.	Auburn	Lee	#
*	Steel Fabrication Solutions, LLC	Bremen	Cullman	#
*	Summa Technology, Inc.	Huntsville	Madison	
*	Synchronous Industrial Services, Inc.	Cottondale	Tuscaloosa	
*	Syncro Corporation	Arab	Marshall	
*	Syndeo Corporation	Athens	Limestone	#
	Talladega Castings & Machine Company	Talladega	Talladega	
*	Tanksley Machine & Tool, Inc.	Decatur	Morgan	#
*	Technology Molded Plastics, Inc.	Decatur	Morgan	
	Teksid Aluminum Components, Inc.	Sylacauga	Talladega	
*	The Gas House, Inc.	Fort Payne	DeKalb	#
*	Thermalex, Inc.	Montgomery	Montgomery	
*	Tire And Wheel Assemblies, Inc.	Birmingham	Jefferson	
*	Titan Coatings, Inc.	Bessemer	Jefferson	
	Topre America Corp.	Cullman	Cullman	#
*	Touchstone Precision, Inc.	Auburn	Lee	#
*	Toyota Motor Manufacturing of Alabama, Inc.	Huntsville	Madison	
*	Trans Tron Ltd, Inc.	Huntsville	Madison	
*	Tri County Industries, Inc.	Decatur	Morgan	
*	Triana Industries, Inc.	Madison	Madison	
*	Trim-X Technologies, Inc.	Greenville	Butler	
*	Tris USA, Inc.	Athens	Limestone	
	Tropic Tool & Mold	Albertville	Marshall	#
*	TS Tech Alabama, LLC	Boaz	Marshall	
*	Turner Machine Inc.	Athens	Limestone	#
	Uniroyal Goodrich (Michelin NA)	Opelika	Lee	
	Uniroyal Goodrich (Michelin NA)	Tuscaloosa	Tuscaloosa	
*	United Plating, Inc	Huntsville	Madison	#
*	Vision Tool & Die Company	Tuscumbia	Colbert	#
*	Vulcan Electro-Coating, Inc.	Bessemer	Jefferson	
*	Wabash Alloys LLC	Steele	St. Clair	
*	Watring Technologies Inc	Huntsville	Madison	#
*	Webb Wheel Products, Inc.	Cullman	Cullman	
*	Whitesell Corporation	Muscle Shoals	Colbert	#
*	Worthington Steel, Inc.	Decatur	Morgan	
*	Wright-K Technology	Huntsville	Madison	#
	Yachiyo Manufacturing of Alabama, LLC	Steele	St. Clair	
*	ZF Industries, Inc.	Tuscaloosa	Tuscaloosa	