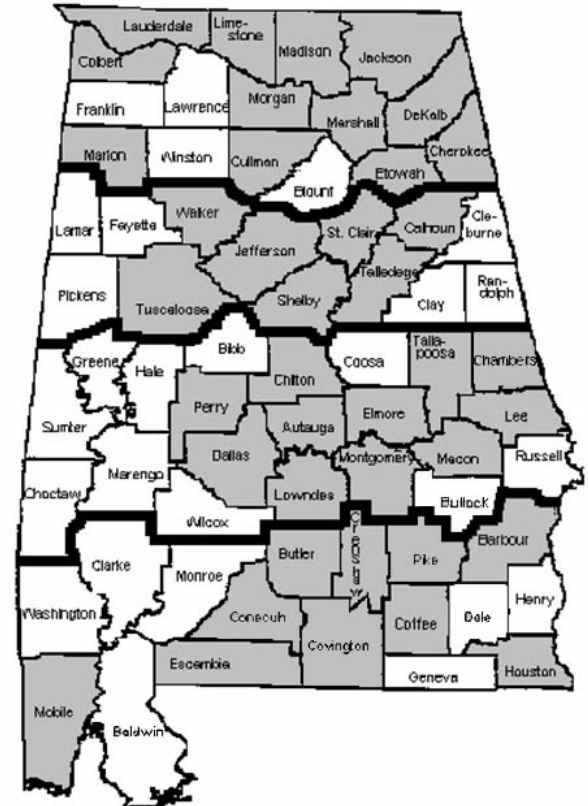




2007 ALABAMA'S AUTOMOTIVE MANUFACTURING INDUSTRY

December 2007



2007 Survey Approach

- **Web based questionnaire**
- **Emails to plants**
- **Follow-up telephone calls**
- **Economic Development Partnership of Alabama (EDPA) and economic development agencies assisted in locating many of the new companies**
- **Survey conducted August – October 2007**

Criteria for Inclusion in Survey

- **Manufacturers or assemblers of parts, subassemblies, assemblies, components or modules that end up in or on motor vehicles including cars, SUVs, mini-vans or trucks**
- **Plants doing containment and fulfillment**
- **Manufacturers of plant floor equipment used to manufacture or assemble parts or vehicles, manufacturers of material handling equipment, mold/die shops**
- **Plants making raw materials that go into a vehicle**
- **Companies must have plants in Alabama and have 2007 automotive business**

Method of Computing Automotive Jobs



% automotive business x number of jobs

e.g. Plant reports:

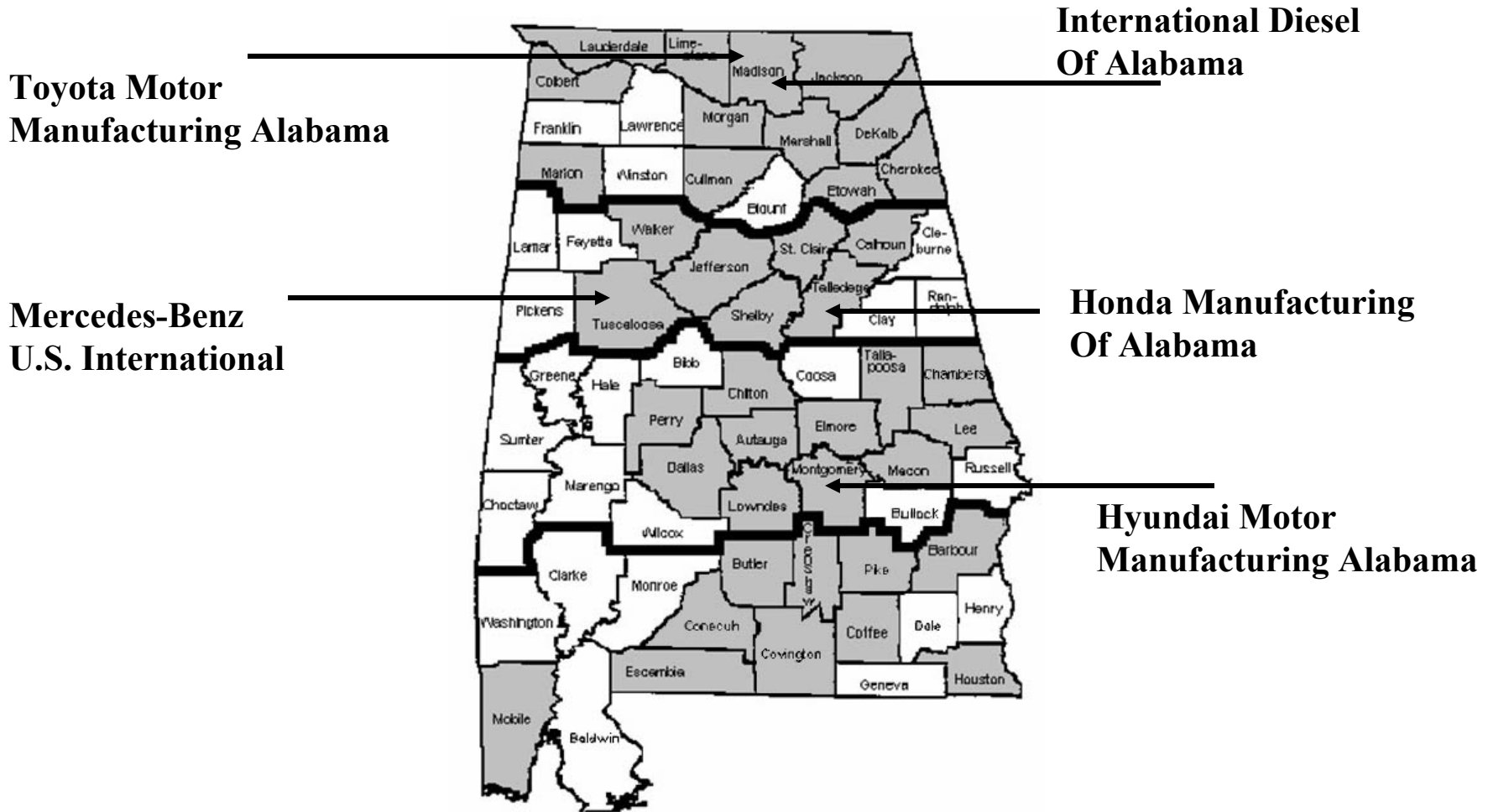
50% automotive business

80 employees

Automotive jobs = 50% x 80 employees = 40

Consequently, total employment at plants is greater than the automotive jobs reported in the survey

OEMs and Engine Plants



Shaded counties have automotive plants

2007 Plants

- 263 plants in 2005 survey
- 20 plants closed in 2006 and 2007
- 6 plants reported no 2007 industry sales

Sub total = 237 plants (in both 2005 and 2007 surveys)

- 24 new automotive plants opened in Alabama in 2006 and 2007
- 24 existing Alabama plants new to the industry or new to the survey

2007 total = 285 plants

Data Completeness

- **All companies in 2005 survey responded**
- **All OEM's responded**
- **All known 1st tier suppliers responded**
- **May have missed several second and third tier suppliers**
- **May have missed a number of small manufacturers of plant floor equipment and mold/die shops**

**In summary, survey can be considered census.
It is estimated that the survey represents
over 98% of the automotive jobs in Alabama**

Changes in Plants

Region	2005	2007	% Change
1	101	103	+2%
2	84	88	+5%
3	56	71	+27%
4	22	23	+1%
Total	263	285	+8%

- 26 plants in 2005 survey have closed or have no automotive business that are not in 2007 survey
- 48 new plants in 2007 survey














Plants by Industry Sector

	2005 Plants	2006 & 2007 Plant Losses	2006 & 2007 Plant Gains	2007 Plants
Assembly Plants	6	-1*	+1*	6
Tier 1-3 Supplier Plants	180	-15	+30	195
Engine Plants	2	0	0	2
Tire Plants	4	0	0	4
Containment / Fulfillment Plants	23	-5	+8	26
Manufacturers of Plant Equipment, Material Handling Equipment, Mold / Die Makers and Repairers	38	-3	+7	42
Manufacturers of Raw Materials	10	-2	+2	10
Totals	263	-26	+48	285

*Loss of small fire engine assembly plant
Gain of small motorcycle assembly plant
Corrected 2005 sectors

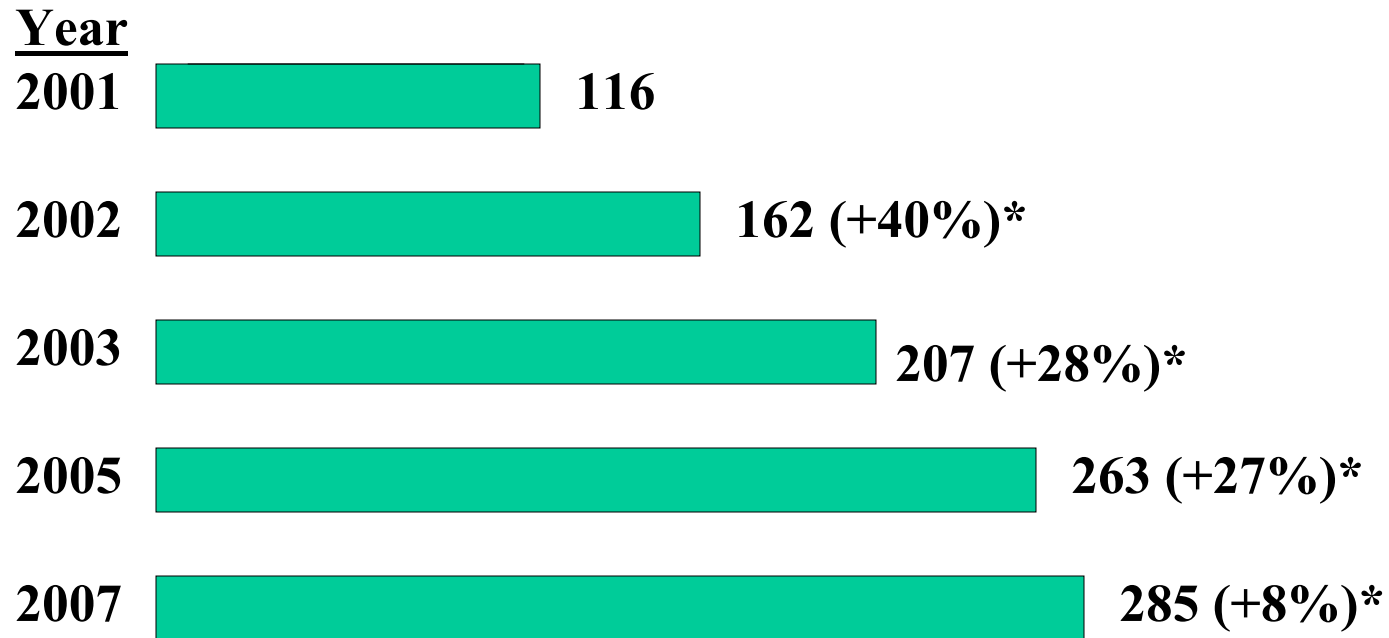
Year Plants Opened in Alabama



<u>Year</u>		<u>Cumulative Plants</u>	<u>Cumulative %</u>
Pre 1960		22	8%
1960s		32	11%
1970s		66	23%
1980s		97	34%
1990s		147	52%
2000		155	54%
2001		175	61%
2002		184	65%
2003		213	75%
2004		239	84%
2005		260	91%
2006		274	96%
2007		285	100%

130 (46%) plants have opened since 2000

Plants in Alabama Doing Automotive Business



* % increase from previous survey year

Plants Automotive Business

% Automotive Business	Number of Plants	Cumulative Plants
<10%	8	3%
10-19%	16	8%
20-29%	15	14%
30-39%	4	15%
40-49%	13	20%
50-59%	16	25%
60-69%	20	32%
70-79%	10	36%
80-89%	11	40%
90-99%	10	43%
100%	162	100%
Total	285	

162 of plants (or 57%) have 100% automotive business

Changes in Plant Floor Space

Region	2005 (Sq. Ft.)	2007 (Sq. Ft.)	% Change
1	14.9 Million	16.6 Million	+11%
2	16.6 Million	18.1 Million	+9%
3	8.6 Million	11.2 Million	+30%
4	4.4 Million	3.9 Million	-11%
Statewide	44.5 Million	49.8 Million	+12%
Plants	252*	283*	

***11 plants in 2005 did not report plant size
2 plants in 2007 did not report plant size**

New Plants to Survey



Autauga County

T-W-B

Calhoun

B.R. Williams Trucking, Warehousing & Logistics

Chambers County

Great Lakes Metal Stamping

Colbert County

Mangas Tool & Die

North American Lighting

Conecuh County

Guyoung Tech

Covington County

SaeHaeSung Co.

Cullman County

Advance Heat Treat

Alabama Cullman Yutaka Technologies

Cardington Yutaka Technologies

Dallas County

Hanil E-Hwa

Elmore County

Uni_tech of Alabama

Etowah County

Coosa Valley Coating

Mid-South Industries: Design & Engineering

Jackson County

Kotobukiya Treves North America (KTNA)

Jefferson County

Bridgeway Logistics

Confederate Motor Company

EHD Manufacturing Group

Inprax Quality Resources

Jeminson Demsey Metals

MS Inspection & Logistics

New Process Steel

Lauderdale County

Central Textil

Lee County

Aluminum Technology Schmid North America

Cumberland Plastics Systems

Cylpro Auburn

Daewon America

HANA Factory Automation

Hightex

K.C. Tech

Seohan Auto USA

New Plants to Survey (continued)

Madison County

PPG Aerospace Transparencies

Marshall County

Pell Rubber

Mobile County

Forbo/Siegling

Montgomery County

Durr Systems

Industrial Electrical Services

Johnson Controls

MS Inspection & Logistics

Panalpina

Morgan County

Corporate Warehouse Services

Steel Technologies

Pike County

CNC Enterprises

Shelby County

Prime Engineering Innovation

St. Clair County

VST-KELLER

Talladega County

Gulf Shores Assemblies

Tallapoosa County

KwangSung America

Tuscaloosa County

Durr Systems

Quality Sorting Services

**24 new plants to AL in 2006 and 2007
24 plants in AL before 2006 that are
new to survey**

Characterizing New Plants to AL in 2006 and 2007



- **24 established in 2006 and 2007**
- **8 (33%) have ≤ 10 employees**
- **19 (79%) have ≤ 50 employees**
- **21 (88%) have 100% automotive business**

Added 1,146 automotive jobs

Characterizing Plants in Alabama before 2006 that are New to Industry or New to Survey



- **24 new to the industry or new to the survey**
- **14 (58%) have ≤ 10 employees**
- **17 (71%) have ≤ 50 employees**
- **11 (46%) have 100% automotive business**

Added 812 automotive industry jobs

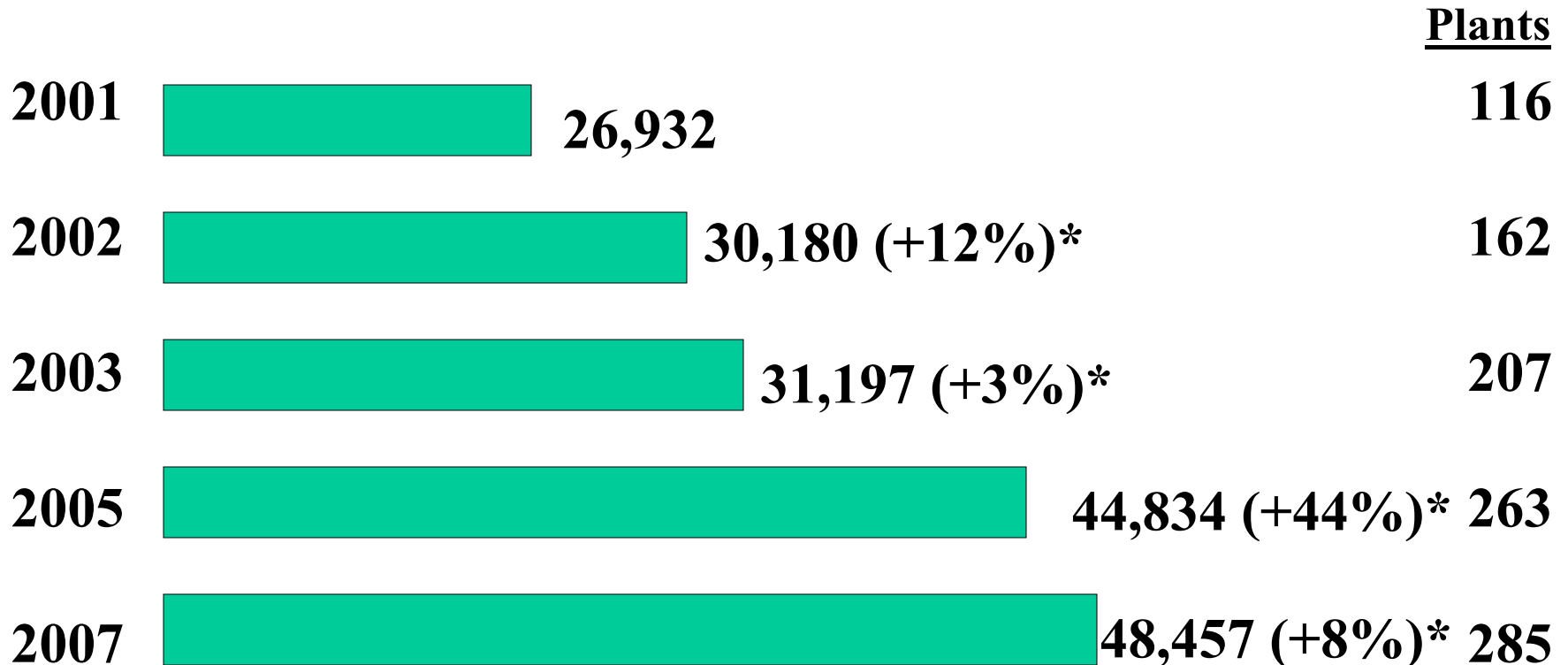
Characterizing Industry's Losses



- **20 plants that were in 2005 survey closed in 2006 or 2007**
- **6 plants that were in 2005 survey reported 0% automotive business in 2007**

1,120 direct jobs lost (for these 26 plants)

Employment (Direct Jobs)



•% growth from previous survey year

2007 total employment in all 285 plants
(including non automotive business) = 54,902

Changes in Employment

Region	2005	2007	Change	% Change
1	13,884	13,788	-96	-0.7%
2	18,063	19,561	+1,498	+8.3%
3	9,748	12,111	+2,363	+24.2%
4	3,139	2,997	-142	-4.5%
Statewide	44,834	48,457	+3,623	+8.1%
Plants	263	285	+22	+8.4%

Where was Growth



	2005 Plants	2005 Jobs	2007 Plants	2007 Jobs	Change in Jobs	% Change in Jobs
OEM'S (passenger vehicles, buses, trucks and ambulances)	6	11,600	6	12,114	+514	+4.4%
Suppliers*	257	33,234	231*	35,505	+2,271	+6.8%
Jobs lost from plants closing or loss of business				-1,120	-1,120	
New suppliers that opened plants in AL			24	1,146	+1,146	
New suppliers to industry or new to survey			24	812	+812	
Totals	263	44,834	285	48,457	+3,623	+8.1%

*Reflects loss of 26 plants and 1,120 jobs in 2006 and 2007

Jobs Increase/Decrease (excluding assembly plants)



Jobs Increase or Decrease	Plants with Job Increase	Plants with Job Decrease
1-9	28	36
10-29	25	19
30-49	9	8
50-99	14	12
100-199	8	4
200-299	4	2
300-399	3	-
400-499	2	-
900-999	-	1
Totals	93	82

**231
Total
Supplier
Plants**

56 (24%) of supplier plants reported same employment
93 (40%) of supplier plants reported increased in jobs
82 (36%) of supplier plants reported decrease in jobs

Size of Plants by Employees

Employees	2005	2007	% 2007
< 50	137	145	50.9%
51-100	38	46	16.1%
101-250	50	51	17.9%
251-500	23	25	8.8%
> 500	15	18	6.3%
Total	263 Plants	285 Plants	100%

Industry Sectors

Sector	Plants	% Plants	Employees	% Employees
Assembly Plants	6	2.1%	12,114	25.0%
Tier 1-3 Supplier Plants	195	68.4%	26,639	55.0%
Engine Plants	2	0.7%	1,526	3.1%
Tire Plants	4	1.4%	4,736	9.8%
Containment/Fulfillment Plants	26	9.1%	2,030	4.2%
Manufacturers of Plant Equipment, Material Handling Equipment, Mold/die Makers and Repairers	42	14.7%	584	1.2%
Manufacturers of Raw Materials	10	3.5%	828	1.7%
Total	285	100%	48,457	100%

Suppliers

Sector	Plants	Average % Automotive Business	Number of Plants that do 100% Automotive Business	Average Number of Employees
Tier 1-3 Supplier Plants	195	83%	125 (64%)	136
Tier 1-3 Supplier Plants >500 employees	9	100%		866
Tier 1-3 Supplier Plants <500 employees	186	82%		101
Engine Plants	2	100%		
Tire Plants	4	100%		
Containment/Fulfillment Plants	26	83%	17 (65%)	78
Manufacturers of Plant Equipment, Material Handling Equipment, Mold/die Makers and Repairers	42	57%	7 (17%)	14
Manufacturers of Raw Materials	10	44%	1(10%)	83

Top Ten Counties Ranked by Jobs

County	Rank 2007	Plants 2007	Jobs 2007	Rank 2005	Jobs 2005	Job Change	Jobs % Change
Tuscaloosa	1	22	7,915	1	7,854	+61	+1%
Talladega	2	12	6,318	2	6,001	+317	+5%
Montgomery	3	21	5,513	4	4,681	+832	+18%
Madison	4	24	4,945	3	4,866	+79	+2%
Lee	5	24	3,289	6	2,322	+967	+42%
Jefferson	6	28	2,492	8	1,771	+721	+41%
Etowah	7	16	2,219	7	2,197	+22	+1%
Limestone	8	11	1,849	5	2,812	-963	-34%
Calhoun	9	11	1,490	9	1,595	-105	-7%
Marshall	10	8	1,392	10	1,027	+365	+36%

These ten counties have 37,422 automotive jobs (77% of all jobs in AL)
 These ten counties have 177 plants (62% of all plants in AL)

Automotive Manufacturing Jobs

	2001	2002	2003	2005	2007
Direct jobs (auto mfg)	26,934	30,180	31,197	44,834	48,457
Indirect jobs*	<u>48,854</u>	<u>53,530</u>	<u>55,477</u>	<u>79,356</u>	<u>85,769</u>
Total jobs	75,788	83,710	86,674	124,190	134,226

2007 Change in Total Jobs from 2005: +8%

*Indirect jobs are those jobs created in the rest of the economy as the result of goods and services purchased by workers and companies in Alabama's automotive manufacturing industry.

Multipliers were calculated from the Regional Information Modeling System (RIMSII) for the State of Alabama; RIMS II was developed by the Bureau of Economic Analysis, U.S. Department of Commerce.

Payroll



	2003	2005	2007
Direct payroll	\$1.523 Billion	\$2.232 Billion	\$2.410 Billion
Indirect payroll*	\$1.770 Billion	<u>\$2.582 Billion</u>	<u>\$2.789 Billion</u>
Total payroll	\$3.293 Billion	\$4.814 Billion	\$5.199 Billion

*Indirect payroll is the aggregate of wages and salaries of indirect jobs.

Multipliers were calculated from the Regional Information Modeling System (RIMS II) for the State of Alabama; RIMS II was developed by the Bureau of Economic Analysis, U.S. Department of Commerce.

Growth Since 2005 Survey

Sector	2005 Plants	2005 Direct Jobs	2007 Plants	2007 Direct Jobs
Assembly plants	6	11,600	6	12,114
Tier 1-3 Supplier Plants	187	25,575	195	26,639
Engine Plants	2	933	2	1,526
Tire Plants	4	4,725	4	4,736
Containment/Fulfillment Plants	20	1,167	26	2,030
Manufacturers of Plant Equipment, Material Handling Equipment, Mold and Die Makers and Repairers	34	566	42	584
Manufacturers of Raw Materials	10	268	10	828
Total	263	44,834	285	48,457

Growth Since Initial 2001 Survey

Year	Plants	% Plant Growth	Direct Jobs	% Job Growth
2001	116		26,932	
2002	162	+40%	30,180	+12%
2003	207	+28%	31,197	+3%
2005	263	+27%	44,834	+44%
2007	285	+8%	48,457	+8%

▲ ▲
 % Increase from previous survey year

169 (145%) growth in number of plants since 2001

21,525 (80%) growth in direct jobs since 2001

Growth Continues

- **285 plants in 2007 survey (up from 263 in 2005)**
- **48,457 direct jobs (up from 44,834 in 2005)**
- **\$5.2 billion payroll (compared to \$4.8 billion in 2005)**
- **8.1% growth in direct jobs over 2005 survey**
- **4.4% growth in direct jobs at assembly plants**
- **6.8% growth in direct jobs at supplier plants**
- **24 companies established new plants in 2006 and 2007 employing 1,146**
- **24 companies in Alabama before 2006 now have automotive business and were new to the survey employing 812**
- **40 of 67 counties now have an automotive plant**
- **Top three counties with automotive jobs are:**

Tuscaloosa	7,915 jobs
Talladega	6,318 jobs
Montgomery	5,513 jobs

Growth Continues

- **South Central Region is the most rapidly growing automotive region**
 - 24% growth in direct jobs (2,363 jobs)
 - 26% growth in new plants
- **Lee County leads the state job growth**
 - 967 direct jobs (42% growth)
 - 24 plants
- **Montgomery County follows in job growth**
 - 832 direct jobs (18% growth)
 - 21 plants
- **Jefferson County follows Lee County in job growth**
 - 721 direct jobs (41% growth)
 - 28 plants
- **26 plants closed/left the state/lost all automotive business with a loss of 1,120 direct jobs**

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For more information on AAMA visit www.aama.to