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Alabama's Automotive Manufacturing Industry Continues Growth

BIRMINGHAM, Ala. – The automotive manufacturing industry in Alabama continues its growth with 48,457 direct automotive jobs in 2007, up from 44,834 jobs in 2005. Since the first AAMA study was conducted in 2001, Alabama's auto industry has added 21,545 jobs, an 80 percent increase.

The Alabama Automotive Manufacturers Association (AAMA) presented the results of the 2007 industry survey Friday at its quarterly meeting in Birmingham. The study was conducted for AAMA by researchers at the University of Alabama in Huntsville (UAH).

The survey includes 285 plants that reported employment of 48,457 jobs in 2007, up 8% from 2005. These jobs support another 85,769 jobs as a result of purchases by industry employees and companies. The 134,226 direct and indirect jobs generated a payroll of \$5.2 billion in 2007.

Governor Bob Riley said “The automotive industry has now become a major and vital part of our state’s economy, and with the recent plant announcements and expansions the industry will continue to grow over the next few years.”

There were 24 new automotive plants established in Alabama in 2006 and 2007, reporting 1,146 new jobs. An additional 24 plants that are new to the industry or new to the survey reported 812 jobs

The top ten counties ranked by jobs are:

<u>Rank</u>		<u>Jobs</u>	<u>Growth since 2005</u>
1	Tuscaloosa	7,915	+1%
2	Talladega	6,318	+5%
3	Montgomery	5,513	+18%
4	Madison	4,945	+2%
5	Lee	3,289	+42%
6	Jefferson	2,492	+41%
7	Etowah	2,219	+1%
8	Limestone	1,849	-34%
9	Calhoun	1,490	-7%
10	Cullman	1,209	+18%

The state's three assembly plants, Honda Manufacturing of Alabama, Hyundai Motor Manufacturing Alabama and Mercedes-Benz U.S. International, employ over 11,000 people.

Ron Davis, President of AAMA and Plant Manager of ZF Lemforder, a Tier 1 supplier, said, "AAMA is encouraged with the continued growth of the industry in Alabama, the continued increase in new plants moving to the State and especially those plants that have been in Alabama for some time that are now supporting the automotive industry."

A typical supplier plant in Alabama has an average of 101 employees. Of the 285 auto plants that participated in the survey, 145 (or 51%) have less than 50 employees.

In summary, growth continues in Alabama:

- 8.1% growth in direct jobs over 2005 survey
- Assembly plants reported 4.4% increase in jobs
- Suppliers reported 6.8% increase in jobs
- 24 companies established new plants in 2006 and 2007
- 24 existing Alabama plants now have automotive business or were new to the survey
- 162 (57%) plants have 100% automotive business and are entirely dependent on the automotive industry.

Other findings in the survey include:

- 40 of 67 counties have an automotive plant
- South Central Region is the most rapidly growing automotive region (24% growth in direct jobs and 26% growth in new plants)
- Lee County leads the state job growth with 967 direct jobs (42% and 24 plants)
- Montgomery County follows in job growth with 832 direct jobs (18% and 21 plants)
- Jefferson County follows in job growth with 721 direct jobs (41% growth and 28 plants)
- 26 plants closed, left the state, or lost all automotive business

The study was supported by the AAMA and the Alabama Department of Economic and Community Affairs (ADECA).

The full report is available at www.aama.to

The Alabama Automotive Manufacturers Association was established in 2001 to promote growth and continuous improvement of automotive manufacturing in Alabama. AAMA has over 460 members.

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