

ALABAMA'S
AUTOMOTIVE MANUFACTURING INDUSTRY
2003
Employment, Growth and Opportunity

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Background

2001

- Conducted initial survey and established a baseline for the future

2002

- Tracked industry growth

2003

- Updated industry status
- Identified growth and changes

Criteria for Inclusion

- Companies must be automotive manufacturers with established or pending plants in Alabama.
- Plants new to the state in 2003 must have employees located in Alabama.
- Existing plants must have 2003 sales to the industry.

2003 Plants

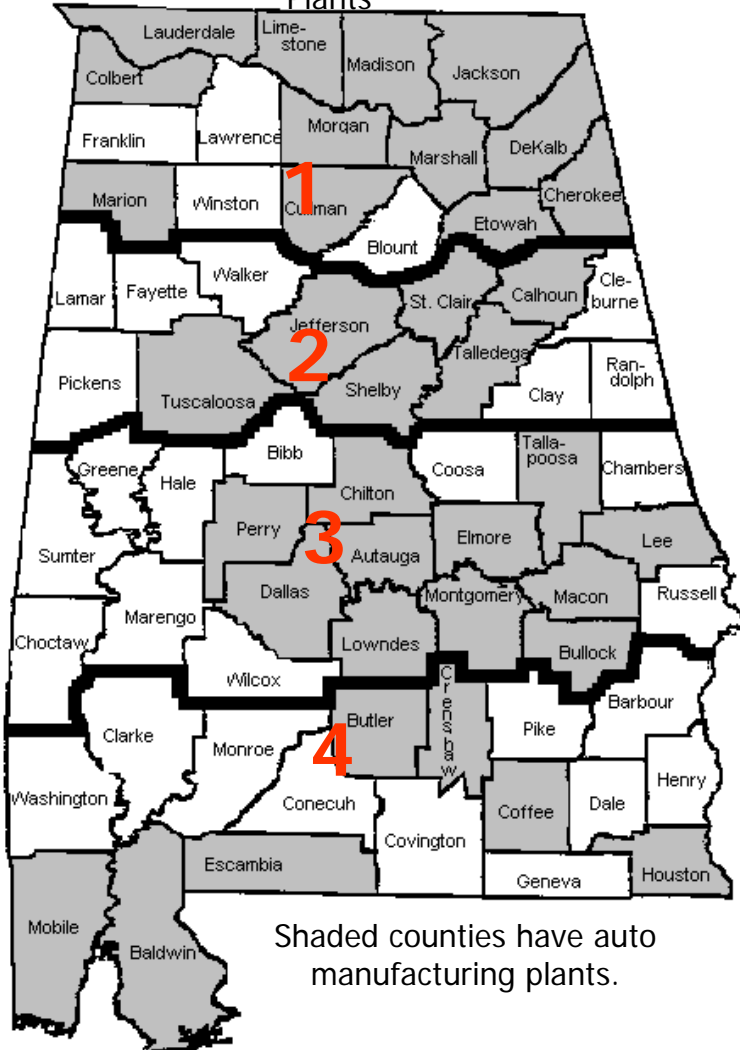
- 162 plants in 2002 survey
- 7 plants closed in 2003
- 4 plants reported no 2003 industry sales

Sub total 151 plants

- 32 automotive supplier plants established in Alabama in 2003
- 24 existing Alabama supplier plants new to the industry or new to the survey

2003 total = 207 plants

2003 Auto Plants



Shaded counties have auto manufacturing plants.

Plant Locations

| Region | Number of Plants |
|-----------|------------------|
| 1 | 89 |
| 2 | 64 |
| 3 | 37 |
| 4 | 17 |
| Statewide | 207 |

Industry Growth by Region

| Region | Plants 2002 | New Plants 2003 | Change New Plants <small># of 2003 new plants/total plants 2002</small> | New to Industry/ Survey 2003 | Total New Industry Members 2003 | Total Growth in Plants 2002-2003 |
|--------------|-------------|-----------------|--|---------------------------------|---------------------------------|----------------------------------|
| 1 | 79 | 3 | +3.8% | 12 | 15 | +19.2% |
| 2 | 51 | 9 | +17.6% | 7 | 16 | +31.4% |
| 3 | 23 | 14 | +60.9% | 2 | 16 | +69.6% |
| 4 | 14 | 6 | +66.7% | 3 | 9 | +100% |
| Total | 162 | 32 | +19.8% | 24 | 56 | +34.6% |

Characterizing the 56 New Industry Members

- Plants new to the state
 - 32 established in 2003
 - Most in very early startup with small staffs
 - 69% have 10 or fewer employees
 - Added 785 automotive industry jobs
- Existing Alabama plants
 - 24 new to the industry/new to the survey
 - Many are machine shops, tool and die makers, tool and die repair
 - 50% have 10 or fewer employees
 - Added 546 automotive industry jobs

Characterizing the Industry's Losses

- 7 plants closed in 2003
 - Region 1
 - Goodyear Dunlop: Madison County
 - Bowden Industries: Madison County
 - Region 2
 - Ace Packaging: Jefferson County
 - Delphi Harrison: Tuscaloosa County
 - Region 3
 - Dana Corporation: Montgomery County
 - Kauth: Lee County
 - Region 4
 - Trim-X: Butler County
- 2,001 direct jobs lost

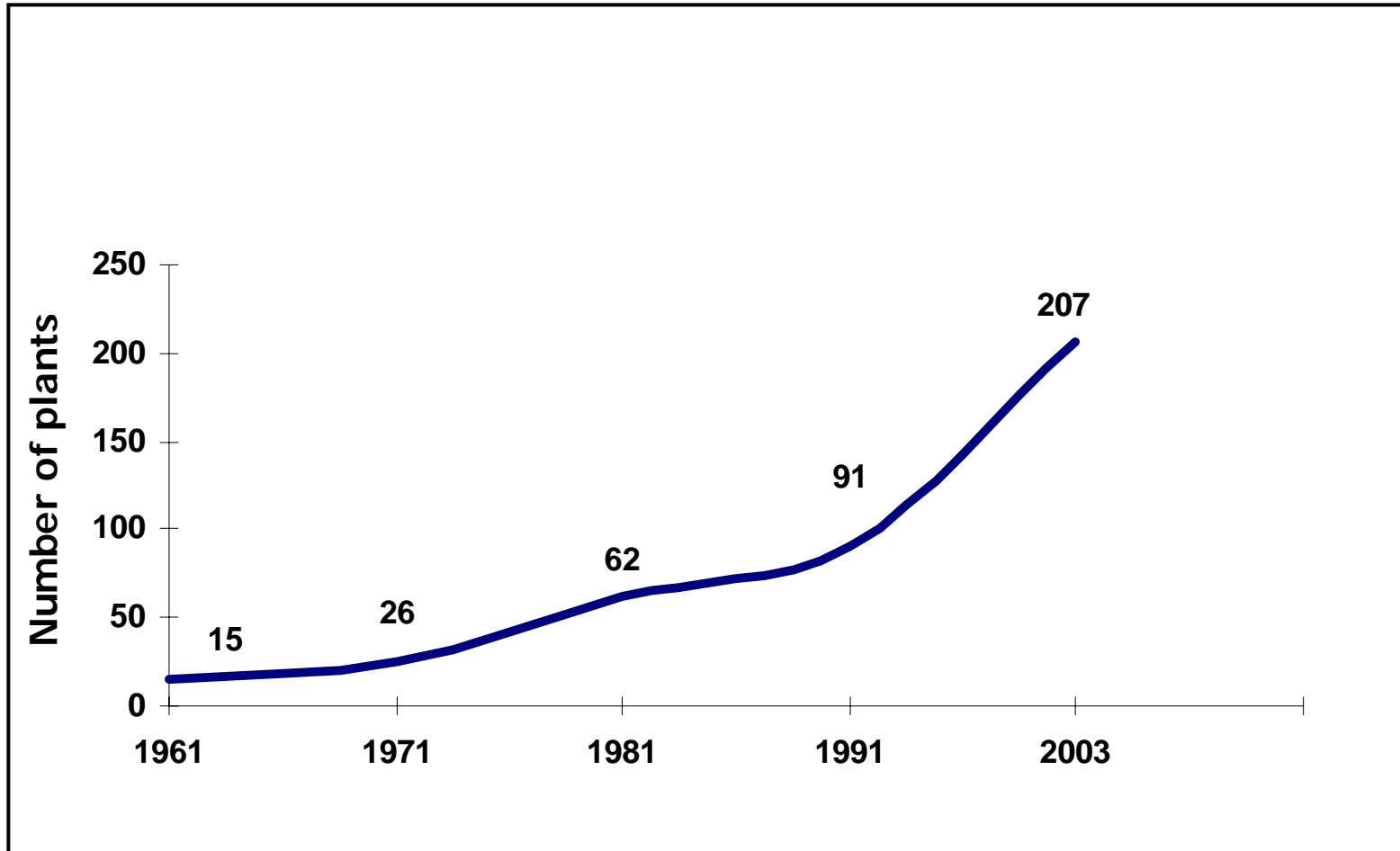
Role in Automotive Supply Chain

| Role | 2001 Plants | 2002 Plants | 2003 Plants | 2003 Jobs |
|---|----------------|----------------|----------------|----------------|
| Vehicle* Assembly Plants <small>*Includes passenger vehicles, buses, trucks and ambulances</small> | 5 | 6 | 6 | 6,719 |
| Tier 1 (supply vehicle assembly plants) | 53 | 68 | 92 | 15,496 |
| Tier 2 (supply Tier 1) | 37 | 48 | 65 | 7,550 |
| Tier 3 (supply Tier 2) | 14 | 28 | 27 | 599 |
| Tier 4 (supply Tier 3) | 3 | 6 | 3 | 49 |
| After market | 4 | 6 | 14 | 784 |
| Total | 116 Plants | 162 Plants | 207 Plants | 31,197 Jobs |

Size of Plants by Employees

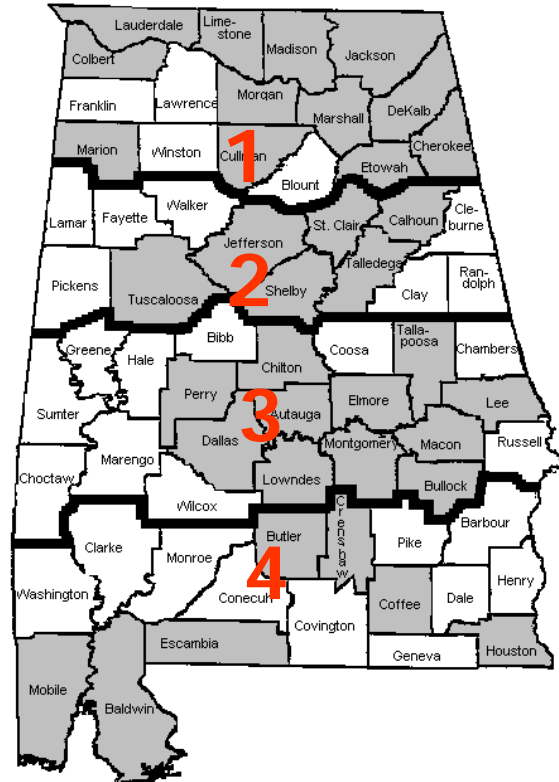
| Employees | 2001 | 2002 | 2003 |
|---------------|------------|------------|------------|
| Fewer than 50 | 38 | 69 | 107 |
| 51-100 | 24 | 26 | 30 |
| 101-250 | 27 | 37 | 38 |
| 251-500 | 13 | 17 | 22 |
| More than 500 | 14 | 13 | 10 |
| Total | 116 Plants | 162 Plants | 207 Plants |

A Growth Industry



Changes in Employment

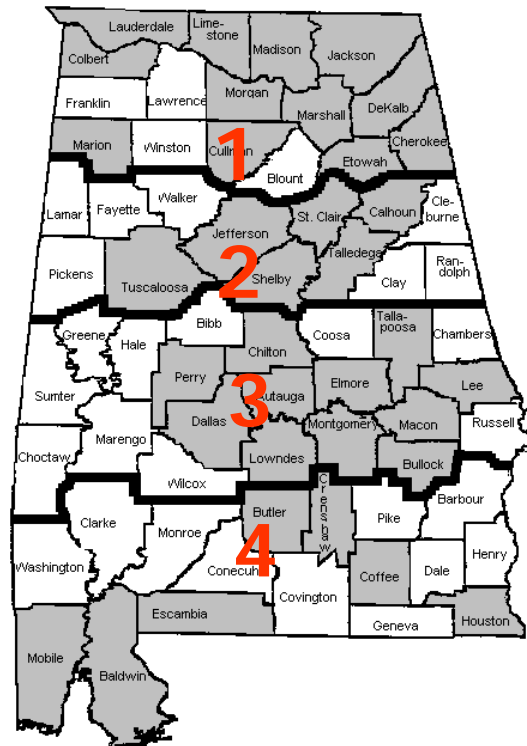
2003 Auto Plants



| Region | 2002 | 2003 | Change |
|-----------|--------|--------|--------|
| 1 | 13,805 | 12,365 | -10.4% |
| 2 | 10,396 | 11,633 | +11.9% |
| 3 | 3,290 | 3,965 | +20.5% |
| 4 | 2,676 | 3,234 | +20.9% |
| Statewide | 30,180 | 31,197 | +3.4% |
| Plants | 162 | 207 | |

Changes in Plant Floor Space

2003 Auto Plants



| Region | 2002 (Sq. Ft.) | 2003 (Sq. Ft.) | Change |
|-----------|-------------------|-------------------|--------|
| 1 | 16.4 Million | 14.7 Million | -10.4% |
| 2 | 9.7 Million | 13.9 Million | +43.3% |
| 3 | 5.5 Million | 6.6 Million | +20.0% |
| 4 | 3.7 Million | 3.8 Million | +2.7% |
| Statewide | 35.4 Million | 39.0 Million | +10.2% |
| Plants | 162 | 207 | |

Top Six Counties Ranked by Jobs

| County | Rank 2003 | Rank 2002 | Jobs 2003 | Jobs 2002 | Change 2002-2003 | Percent Change |
|------------|--------------|--------------|--------------|--------------|---------------------|-------------------|
| Tuscaloosa | 1 | 2 | 5,291 | 4,980 | +311 jobs | +6.2% |
| Madison | 2 | 1 | 4,207 | 5,595 | -1,388 jobs | -24.8% |
| Talladega | 3 | 3 | 4,002 | 3,209 | +793 jobs | +24.7% |
| Limestone | 4 | 4 | 2,885 | 2,876 | +9 jobs | 0.3% |
| Etowah | 5 | 5 | 2,026 | 2,133 | -107 jobs | -5.0% |
| Lee | 6 | 6 | 2,004 | 1,866 | +138 jobs | +7.4% |

Automotive Manufacturing Jobs

| | 2001 | 2002 | 2003 |
|------------------------|---------------|---------------|---------------|
| Direct jobs (auto mfg) | 26,934 | 30,180 | 31,197 |
| Indirect jobs* | <u>48,854</u> | <u>53,530</u> | <u>55,477</u> |
| Total jobs | 75,788 | 83,710 | 86,674 |

2002 Change in Total Jobs from previous year: +10.5%

2003 Change in Total Jobs from previous year: + 3.5%

* 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

| | 2001 | 2002 | 2003 |
|-------------------|------------------------|------------------------|------------------------|
| Direct payroll | \$1.348 Billion | \$1.404 Billion | \$1.523 Billion |
| Indirect payroll* | <u>\$1.549 Billion</u> | <u>\$1.621 Billion</u> | <u>\$1.770 Billion</u> |
| Total payroll | \$2.897 Billion | \$3.025 Billion | \$3.293 Billion |

2002 Change in Total Payroll from previous year: + 4.4%

2003 Change in Total Payroll from previous year: + 8.9%

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

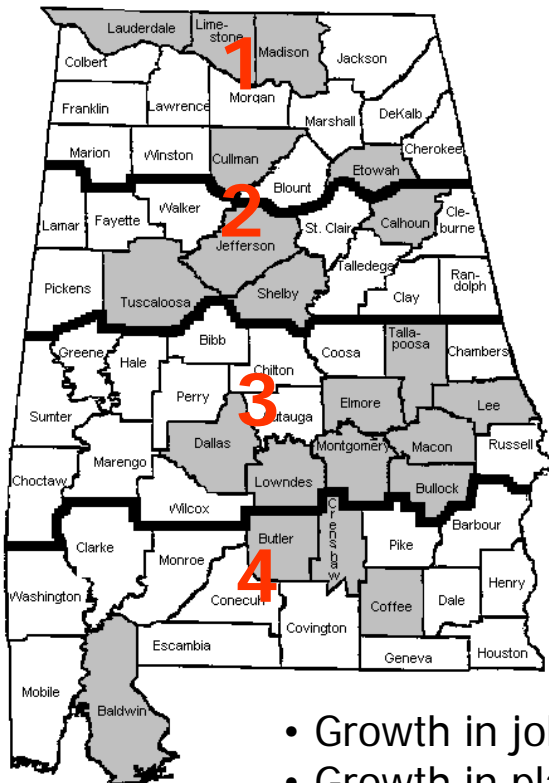
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Growth and Change Continue

- **Industry growth**
 - 3.5% growth in total jobs over previous year
 - 8.9% growth in payroll over the previous year
 - 7 new counties added to Alabama's automotive manufacturing map
 - Bullock, Coffee, Crenshaw, Elmore, Lauderdale, Lowndes and Macon
- **Industry change**
 - 32 companies establishing new plants in Alabama
 - 24 existing Alabama plants new to automotive manufacturing industry/new to survey
 - 5 name changes (some with new ownership)
 - 7 plants close/leave the state
 - Some plants gained employees and some lost employees

Industry Diffusing to South Alabama

2003 New Auto Plants



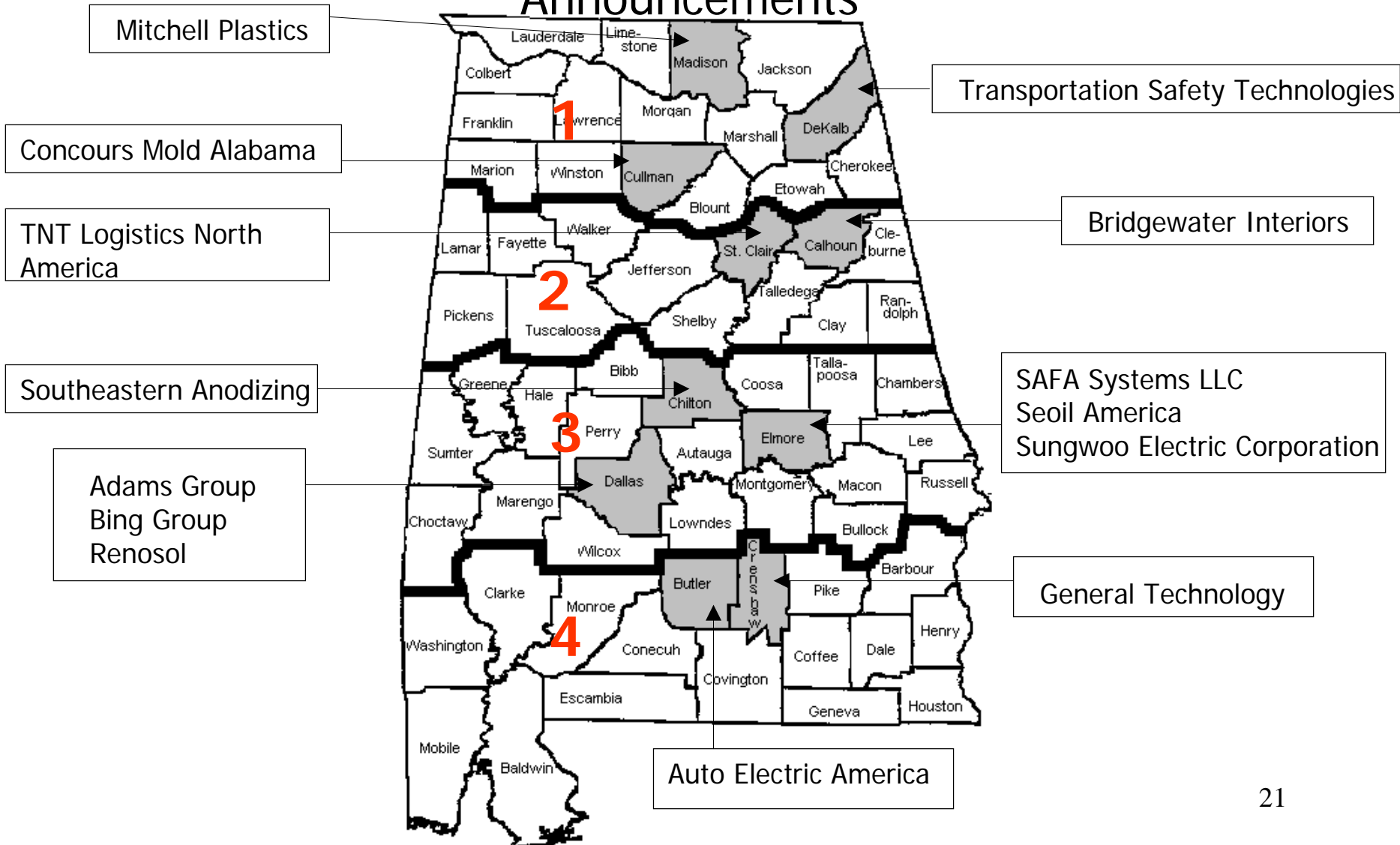
Change from Previous Year

| Region | Jobs | Floor Space | Plants New to AL <small># of 2003 new plants/total plants 2002</small> |
|--------|--------|-------------|---|
| 1 | -10.4% | -10.4% | +3.8% |
| 2 | +10.8% | +43.4% | +17.6% |
| 3 | +20.5% | +20.0% | +60.9% |
| 4 | +20.8% | +2.7% | +66.7% |

- Growth in jobs is greater than previous year.
- Growth in plant floor space indicates jobs should grow in the next 1-3 years.
- Plants new to the state indicate jobs should grow in the next 2-5 years.

More to Come

Announcements



Sponsors

- Alabama Department of Economic and Community Affairs
 - Science, Technology and Energy Division
- U.S. Department of Transportation, Office of the Secretary (Grant No. DTTS59-03-G-00008)
- Alabama Automotive Manufacturing Association
- Alabama Technology Network