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Alabama moving up in South for auto manufacturing capacity, employment

HUNTSVILLE, Ala. (Dec. 16, 2002) — Alabama is adding automobile manufacturing capacity quickly and should move from sixth into a virtual tie for second in the South, according to research released today by the Alabama Automotive Manufacturers Association (AAMA).

Today, Alabama's production capacity is 230,000 vehicles, or 6.6 percent of the total capacity of 13 Southern states. By the year 2005, Alabama's numbers will grow to 760,000, or 17.85 percent of the vehicles produced in the region.

That large increase is due to the new Hyundai plant in Montgomery, and the sizable expansions of the Mercedes Benz plant in Tuscaloosa County, and Honda Manufacturing of Alabama in Lincoln.

“This research shows that transportation, particularly automotive manufacturing, will play an increasingly important role in the development of Alabama's long-term economic future,” said AAMA Executive Director Bernard Schroer. “We must ensure that our state takes full advantage of this trend by the development of supplier networks. At the same time, we must provide assistance to make these plants efficient as possible in order to compete in our global economy.”

Alabama's emergence as a prime site for automotive manufacturing also means the addition of thousands of jobs. Today, 4,100 employees are employed

directly in vehicle assembly. That number is expected to grow to 10,300 by 2005, according to the AAMA study.

Selected facts from the study:

- Kentucky is the leader in the South for assembly plant capacity. Today, that state has the capabilities of producing 1.2 million cars, or 34.52 percent of the vehicles produced in the region. However, there are no announced plans for expansions, and the state's capacity is expected to remain at 1.2 million cars. Kentucky's share of the capacity is expected to drop to 28.2 percent as a result of assembly plant production in other Southern states.
- Tennessee is the employment leader in automotive manufacturing with 16,200 employees, or 30.45 percent of the region's total. Tennessee is expected to remain the employment leader with same total of jobs in 2005, but that state's share of the South's employment will drop to 25.6 percent.
- Alabama is currently ranked sixth in the region in capacity with 230,000 vehicles, or 6.62 percent. That number will grow to 760,000 by 2005, or 18.1 percent of the South's total.
- Alabama is ranked fourth in the South in assembly employment with 4,100 jobs, or 7.7 percent of the total. Those numbers will grow to 10,300, and 16.25 percent by the year 2005.
- Five Southern states (West Virginia, North Carolina, Mississippi Florida and Arkansas) have no automotive assembly plants in 2002.
- Across the South, assembly plants employ 53,200 people and have a capacity to produce 3.5 million vehicles. By the year 2005, those numbers across the region should grow to 63,800 and 4.3 million vehicles.

The study was prepared for the Alabama Automotive Manufacturers Association by Dr. Mary Spann, a research scientist at the University of Alabama in Huntsville.

The AAMA was created in 2001 to support the growth and continuous improvement of the automotive industry in Alabama. Membership in the organization has grown to more than 250 members. The group's web site is www.aama.to

State rankings — Vehicle assembly production

Current vehicle production capacity and share of region's capacity:

1) Kentucky	1.2 million	— 34.52%
2) Tennessee	770,000	— 22.15%
3) Georgia	502,673	— 14.46%
4) Texas	250,000	— 7.19%
5) Virginia	240,000	— 6.90%
6) Alabama	230,000	— 6.62%
7) Louisiana	200,000	— 5.75%
8) South Carolina	120,000	— 3.42%

Arkansas, Florida, Mississippi, North Carolina and West Virginia have no automotive assembly plants.

Vehicle production capacity in 2005 (based on announced expansions):

1) Kentucky	1.2 million	— 28.19%
2) Tennessee	770,000	— 18.09%
3) Alabama	760,000	— 17.85%
4) Georgia	502,673	— 11.81%
5) Mississippi	250,000	— 5.87%
6) Texas	250,000	— 5.87%
7) Virginia	240,000	— 5.64%
8) Louisiana	200,000	— 4.70%
9) South Carolina	120,000	— 3.47%

Arkansas, Florida, North Carolina and West Virginia have no announced automotive assembly plants.

State rankings — Vehicle assembly employment

Current vehicle assembly employment:

1) Tennessee	16,200	— 30.45%
1) Kentucky	15,900	— 29.89%
3) Georgia	5,400	— 10.15%
4) Alabama	4,100	— 7.71%
5) Virginia	3,600	— 6.77%
6) South Carolina	3,400	— 6.39%
7) Louisiana	2,400	— 4.51%
8) Texas	2,200	— 4.14%

Arkansas, Florida, Mississippi, North Carolina and West Virginia have no automotive assembly plants.

Vehicle assembly employment in 2005 (based on announced expansions):

1) Tennessee	16,200	— 25.55%
2) Kentucky	15,900	— 25.08%
3) Alabama	10,800	— 16.25%

4) Georgia	5,400	—	8.52%
5) Mississippi	4,000	—	6.31%
6) South Carolina	3,800	—	5.96%
7) Virginia	3,600	—	5.68%
8) Louisiana	2,400	—	3.79%
8) Texas	2,200	—	3.47%

Arkansas, Florida, North Carolina and West Virginia have no announced automotive assembly plants.