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AUTO SUPPLIERS LARGEST U.S. MANUFACTURING SECTOR

DETROIT – U.S. motor vehicle parts suppliers comprise the nation’s leading manufacturing sector, contributing to 4.5 million jobs nationwide and providing more jobs than any other sector in seven states, according to findings of a landmark study of the industry by the Center for Automotive Research (CAR) for the Motor & Equipment Manufacturers Association (MEMA).

“The study’s findings make it clear that despite the many challenges facing our industry, automotive suppliers account for more jobs – and provide more economic well-being to more Americans – than any other manufacturing sector,” said Bob McKenna, MEMA president and CEO.

“This is the first study ever undertaken that shows the true economic impact of the motor vehicle parts supplier industry,” said Dr. Dave Cole, Chairman of CAR. “While the industry is always changing, the study clearly establishes auto suppliers as the core of U.S. manufacturing.”

According to the study, motor vehicle parts suppliers directly employ 783,100 U.S. workers and every supplier job creates another 4.7 jobs in the economy. These include an additional 1.97 million jobs in industries ranging from steel to plastics that support the supplier industry and 1.7 million jobs supported by the spending of direct and indirect employees.

Motor vehicle parts suppliers are the top employers in seven states - Indiana, Kentucky, Michigan, Missouri, Ohio, South Carolina, and Tennessee – with nine more states reporting employment in excess of 15,000 jobs, including Alabama, California, Georgia, Illinois, New York, North Carolina, Pennsylvania, Texas, and Wisconsin.

Just a few years ago, the vehicle manufacturers were more highly integrated, producing many of the parts in-house for the vehicles they sold, McKenna said. By the beginning of the 21st century, however, most part-making operations had been moved out of the assembly companies into independent, stand-alone operations selling components to multiple customers. Today, fully two-thirds of the value of the average car or light truck, is provided by suppliers, he added.

The study also showed that auto supplier jobs are good jobs, providing almost \$253 billion in compensation, or more than \$45,000 in average annual compensation per industry worker.

The study is available on MEMA's new government affairs Website, www.automotivesupplier.org and at CAR's website at www.cargroup.org.

MEMA (www.mema.org) represents more than 700 motor vehicle product manufacturers with nearly 12,000 U.S. plant locations and 1.2 million workers. Together, these companies keep the U.S. automotive and truck industry supplied with the components that enable it to produce some 17 million vehicles each year and keep the 232 million vehicles on the road with replacement products and services. MEMA supports its members through its three market segment associations: Automotive Aftermarket Suppliers Association (AASA), Heavy Duty Manufacturers Association (HDMA) and Original Equipment Suppliers Association (OESA).

The Center for Automotive Research (www.cargroup.org), a nonprofit organization, is focused on a wide variety of important trends and changes related to the automobile industry and society at the international, federal, state and local levels. CAR conducts industry research, develops new methodologies, forecasts industry trends, advises on public policy, and sponsors multi-stakeholder communication forums.