

Auto parts makers largest employer of manufacturing jobs in US—report

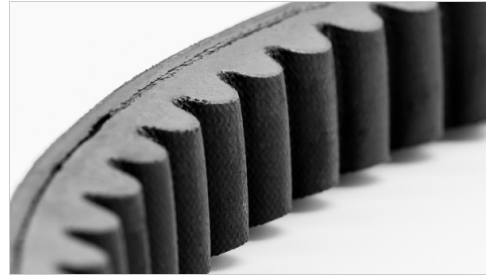
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Industry creates 734,000 direct and 1.2 million indirect jobs

The auto components industry is the largest employer in the manufacturing sector in the US, according to a study by Motor & Equipment Manufacturers Association (MEMA) in collaboration with IHS. The industry, which includes parts makers for OEMs, aftermarket, heavy-duty and aftermarket, directly employs 734,000 people and contributes USD335bn or 2.3% to the country's gross domestic product (GDP).



In addition to 734,000 direct jobs, the industry generates an additional 1.2 million jobs in the US through the supply chain. Thus, in total, the auto parts manufacturers employ two million people in the US. The employment-induced effect supports an additional 1.62 million employees. Thus total employment impact from the US motor parts industry is 3.62 million employees.

The auto component suppliers have presence across all 50 states in the US. The industry employs the largest 102,624 direct jobs in Michigan, followed by Ohio and Indiana. The top three states account for 37% of 734,000 jobs. The top 10 states bring this share to 69%.

"Motor vehicle parts manufacturers are the largest creators of manufacturing jobs in the nation. With a presence in all 50 states, this industry is important to the health and success of American manufacturing, and to the future of this country," said Bob McKenna, president and CEO of MEMA.

Significance: The manufacturing sector is the largest employer in the US with 1.24 million direct jobs, equivalent to 34.4% of the total. The auto parts industry is the leading employer within the manufacturing sector. The industry has benefited from strong growth in vehicle demand in the US following the global economic slowdown in 2008 and 2009. According to IHS, the US sold 14.5 million light vehicles and 347,350 units of medium and heavy-duty commercial vehicles (MHCVs) in 2012. This compares with 12.8 million light vehicles and 306,190 MHCVs in 2011. Higher vehicle demand drove automakers to increase production which boosted employment in the auto parts industry. Vehicle production reached 10.4 million units in the US during 2012, which was only 9.6% less than 11.4 million produced in 2006. Although vehicle sales growth is expected to moderate this year, IHS Automotive forecasts it to cross 17 million units by 2016. This is expected to further boost vehicle production and hence jobs in the automotive industry in coming years.

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