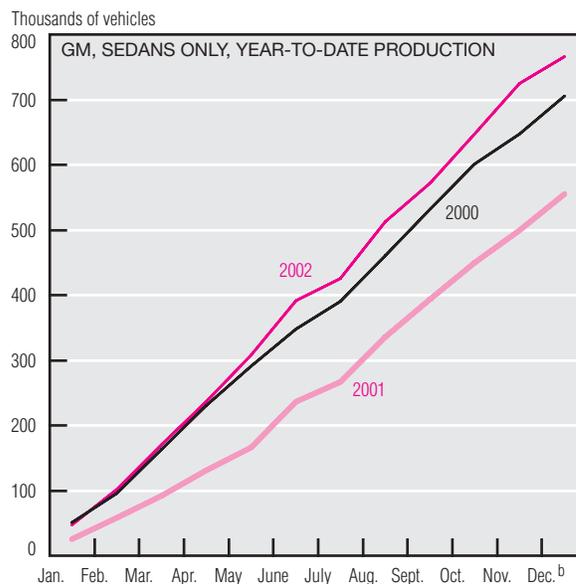
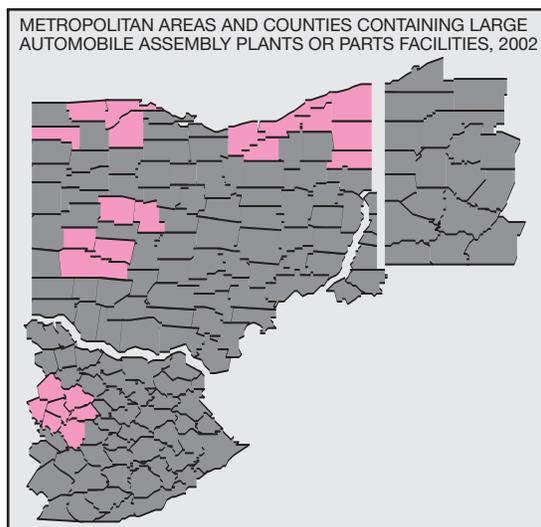
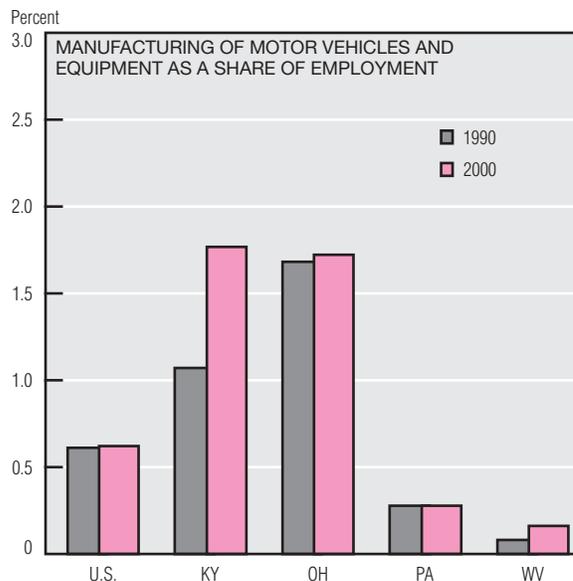
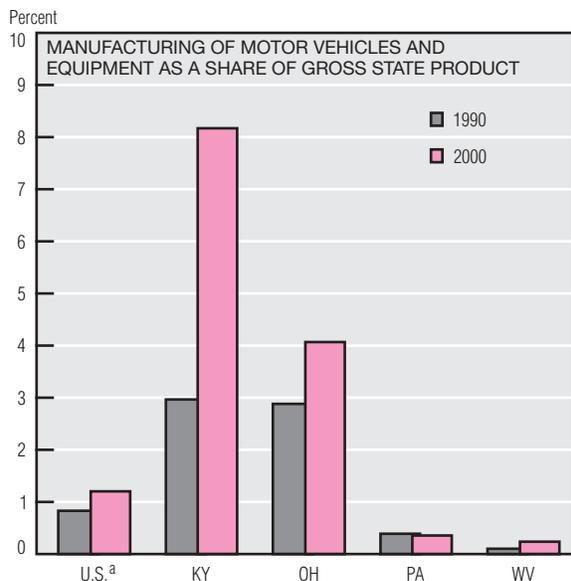


Automobile Manufacturing in the Fourth District



a. Sum of GSP for all 50 states.

b. Year-to-date production figures for 2002 are through December 14.

SOURCES: U.S. Department of Commerce, Bureau of Economic Analysis and Bureau of Labor Statistics; and Crain Communications, *Automotive News*, various issues.

Throughout the 1990s, the relative importance of auto manufacturing (vehicle assembly and the production of associated parts) increased in the Fourth District states of Kentucky, Ohio, and West Virginia, as well as the U.S. as a whole. As a share of gross state product (GSP), auto production grew faster in Kentucky and Ohio than in the U.S. from 1990 to 2000 (latest data available).

In Kentucky, auto making provided 8.2% of the state's total production in 2000, more than double the 3.0% share in 1990. The share of Ohio's

GSP increased more than a full percentage point from 2.9% in 1990 to 4.2% in 2000. In West Virginia and Pennsylvania, autos provided less than 0.4% of total GSP in both 1990 and 2000; in fact, Pennsylvania's auto production as a share of GSP fell very slightly (0.04%) over the decade.

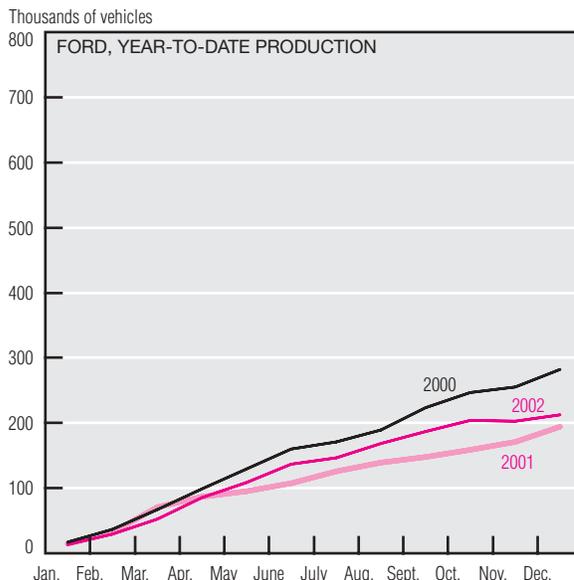
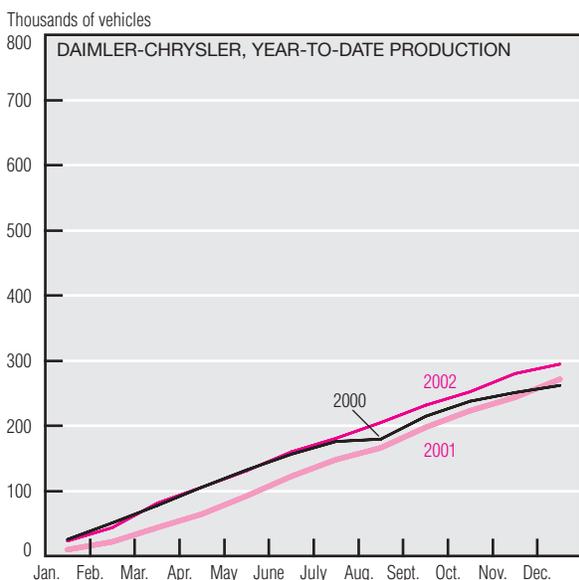
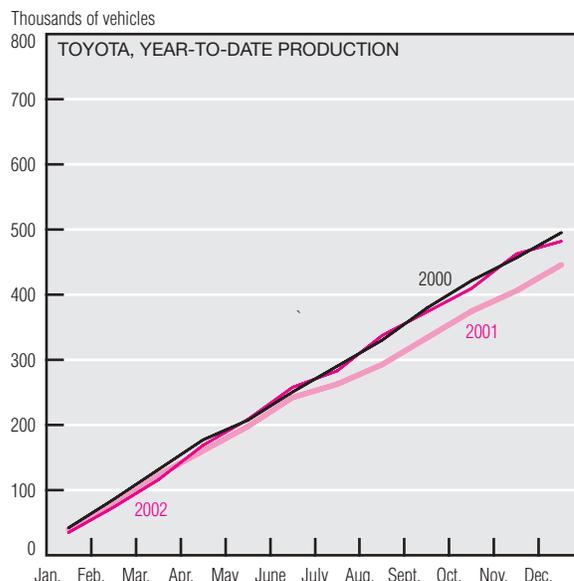
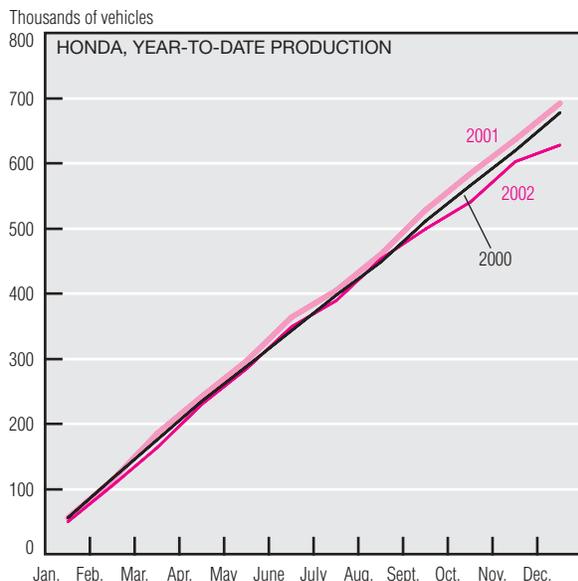
Employment shares show similar—albeit less dramatic—patterns over the same period. Auto manufacturing contributed more than 8% of Kentucky's GSP in 2000 but less than 2% of its total employment. In the U.S., Ohio, and Pennsylvania,

auto manufacturing's share of employment stayed fairly steady from 1990 to 2000, which may surprise some of those who lament the disappearance of manufacturing jobs from the Fourth District.

All of the District's large auto making facilities (those that employ more than 3,000 individuals in a county or metropolitan statistical area) are located in Ohio, except the Toyota complex and its affiliated parts makers in Scott County, Kentucky, which is part of the Lexington metropolitan statistical area.

(continued on next page)

Automobile Manufacturing in the Fourth District (cont.)



NOTE: Year-to-date production figures for 2002 are through December 14.
SOURCE: Crain Communications, *Automotive News*, various issues.

By December 14, General Motors had churned out the most vehicles in the District, over 765,000 Cavalier and Sunfire sedans in 2002. This was 200,000 more than the previous year. (GM trucks made in the District are excluded because the figures are not District-specific; the company makes the same models elsewhere).

In 2001, Honda plants in the District produced roughly 692,000 Accords, Civics, and Acuras (excluding models produced outside the District). This was more vehicles than any other automaker produced in the District. Production dropped in 2002 because the 2003 models had major

new design features, requiring significant downtime to retool. Honda's 2002 production through December 14 was 628,000.

Toyota's production during the same period was very near 2000 and significantly above 2001 levels. Toyota has encouraged its suppliers to establish facilities very near its Camry/Avalon plant in Scott County, Kentucky, enabling it to adjust better to demand shifts in 2002 than in previous years.

The Daimler-Chrysler Toledo facilities that produce the Jeep Liberty have adopted technology for changing over with far less downtime than

before, so it can correct product variations and deviations from standards faster than most traditional plants. The company's output through December 2002 exceeded both 2000 and 2001, partly because it phased out the poorly selling Cherokee in 2001 and replaced it with the more popular Jeep Liberty.

Ford's production dropped significantly in 2001 when it phased out the minivans produced at its Avon Lake plant. During the last half of 2002, that plant was completely idle, but that year's output of other Ford models surpassed 2001 levels.