

Automotive

Automotive hub of the South

An illustrious lineup of international carmakers – Mercedes ... Honda ... Hyundai – gives instant credibility to Alabama’s rapid emergence as one of the nation’s major automotive manufacturing centers.

It started 17 years ago when Mercedes selected Alabama to build its first passenger vehicle factory outside Germany. The \$400 million plant in Tuscaloosa County produced only one model - the M-Class SUV – when the plant opened in 1997.

Within seven years Mercedes doubled the plant size in Tuscaloosa with an additional \$600 million investment. Since then, two more models have been added and yet another – the C Class – will begin production in 2014. A current \$290 million body shop expansion under way (completion-2011) shows Mercedes continues to invest in its Alabama decision.

Others took notice as the state proved its mettle as a “can do” auto producer. In 1999, Honda chose east Alabama for a \$1.4 billion, 3.5 million-square-foot facility to build the Odyssey, Pilot, Ridgeline and V6 Accord vehicles and V6 engines.

Korean automaker Hyundai soon followed with a 2001 announcement to employ 3,000 at a \$1.4 billion plant near the capital city of Montgomery. Today the facility makes the Sonata sedan and will begin production in November on the all-new Elantra sedan.

During this same time, Toyota and Navistar selected Huntsville in north Alabama for major engine manufacturing plants.

Combined with its central location in the South, Alabama has in short order blossomed into a major automotive center that is fertile ground for suppliers and ancillary businesses and industries.



Fast Facts

- In 2008, automakers built 711,000 cars and light trucks in Alabama.
- Prior to 1997, when the first M-Class rolled off Mercedes’ production line, Alabama produced no passenger vehicles. In 2006, Alabama built its 2 millionth automobile.
- Car and truck engine manufacturing in Alabama began in 2001. By 2007, combined engine capacity had risen to 1.2 million engines annually.
- Alabama automakers manufactured eight vehicles barely 10 years after beginning production.
- Motor vehicles were Alabama’s top export in 2008; worth more than \$5 billion.
- In 1997, the first year of automotive manufacturing, 1,800 persons were employed. In 2005, employment vaulted to 11,400.

Mercedes-Benz U.S. International

Location: Tuscaloosa County

Announced: 1993

Opened: 1997

Capital Investment: \$1.2 billion

Employment: 2,800

Annual Production: 90,000 vehicles

Plant Size: 3 million square feet-plus

Products: M-Class SUV, R-Class Grand Sports Tourer, GL-Class luxury SUV, C-Class sport/sedan (2014)

Expansion: \$290 milion body shop (under way)

Honda Manufacturing of Alabama

Location: Talladega County

Announced: 1999

Opened: 2001

Capital Investment: \$1.4 billion

Employment: 4,000

Annual production: 300,000 vehicles and V6 engines

Plant Size: 3.5 million square feet

Products: Odyssey minivan, Pilot SUV and V6 engines, Ridgeline pickup; V6 Accord sedan

Hyundai Motor Manufacturing

Location: Montgomery County (Central Alabama)

Announced: 2002

Opened: 2005

Capital Investment: \$1.4 billion

Employment: 2,700

Annual production: (at full production) 300,000 vehicles, 380,000 engines for Hyundai and Kia factory in West Point , Ga.

Plant Size: 2 million square feet

Products: Sonata sedan, Elantra sedan (November 2010) and V6 engines/4-cylinder engines