



## Automotive

### Automotive hub of the South

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

### Mercedes

In 1993, not a single automobile was made in Alabama. Then, Mercedes selected Alabama to build its first passenger vehicle factory outside Germany.

The \$400 million plant in Tuscaloosa County produced only one model when it began production in 1997 – the M-Class SUV.

By 2000, Mercedes doubled the plant size 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, adding 1,000 new jobs.

In 2011, fresh on the heels of a \$290 million body shop expansion, Mercedes announced it would invest another \$2 billion in three models of vehicles, expanding production by more than 40,000 a year.

“Tuscaloosa was the first production location of Mercedes-Benz cars ever outside of Germany, and today it is among our best,” said Dieter Zetsche, chairman of Daimler AG. “As our pioneering plant, it is also the blueprint for our new operations in emerging markets.”



The \$2 billion investment will redesign the flagship M-Class SUV and the GL-Class, along with the roll-out of the C-Class, bringing total investment to \$4 billion since opening in 1997.

### Honda

In 1999, Honda chose the east Alabama town of Lincoln to invest \$1.5 billion in a 3.5 million-square-foot facility to build the Odyssey, Pilot, Ridgeline and V6 engines. In 2011, Honda started an additional \$191 million expansion that will make way for the production of the luxury SUV Acura MDX in 2013.

### Hyundai

Korean automaker Hyundai in 2001 announced plans to employ 3,000 at a \$1.7 billion plant near Alabama’s capital city of Montgomery. Today the facility makes the Sonata and Elantra sedans, which represent 65 percent of Hyundai sales in the U.S. market. During 2010, Hyundai Motor America had a record year with 538,228 vehicles sold, a 24 percent increase versus 2009. The game-changing Sonata led the way with more than 196,000 units sold. These results show how well consumers have responded to Hyundai’s high-tech 4-cylinder lineup, dynamic new design and the mid-size segment’s first five-star 2011 National Highway Traffic Safety Administration crash-test result.



The all-new 2011 Elantra, which achieves 40 miles per gallon, had an impressive launch during 2010 and should have sales that rival the Sonata during 2011. Hyundai plans to be the market leader in sales of 40 mile-per-gallon vehicles in 2011.

Montgomery's Hyundai facility will begin producing Theta 4-cylinder gasoline-injection engines and Nu 4-cylinder engines in March 2012. They will supply the engines to nearby Hyundai subsidiary, KIA, just across the state line in West Point, Ga.

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

With its central location in the South, Alabama has blossomed into a major automotive center in less than 20 years. Today it is home to three automotive original equipment manufacturers (OEMs) OEM's, with 250 suppliers and ancillary businesses and industries having facilities in Alabama.

## Fast Facts

- Alabama ranks 5th in U.S. car and light truck production.
- In 2010, automakers built 711,000 cars and light trucks in Alabama.
- Alabama's top export in 2010 was \$4.7 billion in motor vehicles, equivalent to 30 percent of total exports.
- Alabama manufactured eight vehicles barely 10 years after starting production.
- Before 1997, when the first M-Class rolled off the production line at Mercedes, Alabama produced zero passenger vehicles. The 2 millionth automobile was built nine years later.
- Car and truck engine manufacturing in Alabama began in 2001. By 2007, combined engine capacity had risen to 1.2 million annually.

## Mercedes-Benz U.S. International

**Location:** Tuscaloosa County

**Announced:** 1993

**Opened:** 1997

**Capital Investment:** \$1.2 billion

**Employment:** 2,800

**Annual Production:** 125,000 vehicles (2010)

**Plant Size:** More than 4 million square feet-plus

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

*Photo courtesy of Mercedes Benz U.S. International (2011 M-Class)*



## Hyundai Motor Manufacturing

**Location:** Montgomery County (Central Alabama)

**Announced:** 2002

**Opened:** 2005

**Capital Investment:** \$1.7 billion

**Employment:** 2,700

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



630,000 engines in 2012)

**Plant Size:** 2 million square feet

**Products:** Sonata sedan; Elantra sedan; Theta 4-cylinder gasoline injection engines; Nu 4-cylinder engine production starts March 2012.

*Photo of 2011 Sonata courtesy of Hyundai Motor America*

## **Honda Manufacturing of Alabama**

**Location:** Talladega County

**Announced:** 1999

**Opened:** 2001

**Capital Investment:** \$1.5 billion

**Employment:** 4,000

**Annual production:** 300,000 vehicles and V6 engines

**Plant Size:** 3.5 million square feet

**Products:** Odyssey minivan; Pilot SUV; Ridgeline pickup; Acura MDX luxury SUV (2013) and V6 engines.

**Additional Investment:** \$191 million (under way)

*Photo of 2011 Ridgeline courtesy of Honda Manufacturing of Alabama*

