

# THE AUTOMOBILE INDUSTRY IN FLORIDA

## Overview

The state of Florida does not have a major automotive vehicle assembly plant.<sup>100</sup> Nevertheless, there are a host of automotive-related businesses, including suppliers of parts and components, suppliers of raw materials, and support services (engineering consultants) that have located their operations throughout the state. A sampling of these companies includes the following:

- » internal engine components (Crane Cams in Daytona Beach and MTC Engineering in Cocoa Beach);
- » air bag components (Breed Technologies in Lakeland, recently selected to make driver- and passenger-side air bags for the Hyundai Motor Company's Montgomery, Alabama, assembly plant<sup>101</sup>);
- » heating and air conditioning systems (S & H Fabricating and Engineering in Sanford);
- » steering mechanisms (Drive Line Specialists, Inc. in Fort Lauderdale);
- » suspension systems (B.F. Goodrich Company in Jacksonville and Crane Carrier Company in Miami);
- » computer chips (Superchips, Inc. in Longwood);
- » radiators (Tropical Core Manufacturing in Fort Lauderdale);
- » ignition systems (Madison Wire and Cable Inc. in Apopka);
- » air filters (Filters, Inc. in Tampa); and
- » seals (Auto Trim Manufacturing in Altamonte Springs and Findlay Industries in Lake Wales).

This list represents a small fraction of the many companies active in the industry in the state. In fact, *Enterprise Florida*, Florida's economic development agency, notes that in 2002 there were at least 199 automotive-related establishments (excluding many more manufacturing and retailing tires and inner tubes and vehicular lighting equipment) with at least 10 employees.

## Automobile-Industry Related Operations

In terms of the breakdown of these automotive-related businesses, 107 establishments manufacture motor vehicle parts and accessories; 28 manufacture motor vehicle and car bodies; 20 manufacture truck and bus bodies and another 20 manufacture truck trailers; nine manufacture motor homes; eight manufacture carburetors, pistons, rings and valves; and seven manufacture automotive stampings. As noted earlier, there were numerous other establishments manufacturing tires, inner tubes and vehicle lighting equipment, all with at least 10 employees, that are not included in this list of 199 establishments.

The following table provides additional details on a few of these companies.



## State Facts

Percent of Total Workforce	2.6
Direct Employment	45,400
Auto-Related Employment	47,300
Auto-Dependent Employment	182,900
Wages	\$8.7 Billion
New Vehicle Dealerships	966
Dealership Annual Sales	\$50.7 Billion
New Registrations	1,427,080
Registered Vehicles	11,781,010
Publicly-Owned Vehicles	287,564
Licensed Drivers	13,000,000
Total Miles Driven	152.1 Billion

Source: 2002 Ward's Motor Vehicle Facts & Figures

A Sampling of Florida's Automotive-Related Businesses			
Name	City	Sales	Employees
Tires/Inner Tubes Bridgestone Tire	Miami	\$10 million - \$24 million	50 to 99
Automotive Stampings Modern Tool & Die Florida Production Engineering	Pinellas Park Ormond Beach	\$10 million - \$24 million \$50 million - \$99.9 million	250 to 499 100 to 249
Carburetors, Pistons, Rings & Valves Federal-Mogul World Trade Experimental Aircraft	Fort Lauderdale Brandon	Not available \$5 million - \$9.9 million	100 to 249 50 to 99
Vehicular Lighting Equipment Goodrich Aerospace Heico Parts Group	Oldsmar Sarasota	Not available \$2.5 million to \$4.9 million	100 to 249 25 to 49
Motor Vehicles and Car Bodies GMAC Emergency One Emergency One	Ocoee Bellevue Ocala	Not available \$250 million to \$499.9 million \$250 million to \$499.9 million	1,000 to 2,499 1,000 to 2,499 1,000 to 2,499
Truck and Bus Bodies Ellwood, Inc. Tesco Equipment, Inc.	Hollywood Fort Lauderdale	\$10 million to \$24.9 million \$5 million to \$9.9 million	100 to 249 50 to 99
Motor Vehicle Parts & Accessories United Technology Automotive Metra Electronics	Tampa Daytona Beach	Not available \$25 million to \$49.9 million	500 to 999 500 to 999
Truck Trailers Crossley Trailers, Inc.	Starke	\$2.5 million to \$4.9 million	25 to 49
Motor Homes Family Motor Coach Assn. Featherlite Luxury Coach	Fort Pierce Sanford	\$100 million to \$249.9 million Not available	1,000 to 2,499 250 to 499

Source: *Enterprise Florida, Inc.*, Department of Research

### Economic Impact of the Automotive Sector

According to *Enterprise Florida*, the most recent study assessing the economic impact of the automotive sector in the state was carried out in 1995. This report noted that Florida had 146 establishments dedicated to manufacturing motor vehicle parts, and employed 6,000 workers. These establishments were primarily entities that manufactured motor vehicle bodies, parts and accessories. The following table presents this information for the period 1990 to 1995.

Automotive Industry's Role in Florida's Economy 1990-1995								
Year	Employment		Number of Establishments		Average Annual Wage		Percent of Florida Manufacturing Employment	
	A	B	A	B	A	B	A	B
1990	2,085	2,532	18	89	\$21,295	\$24,163	0.40%	0.49%
1991	1,960	2,443	18	89	\$22,850	\$21,384	0.46%	0.50%
1992	2,083	2,363	19	87	\$24,224	\$22,025	0.43%	0.49%
1993	2,167	2,532	23	98	\$24,344	\$22,729	0.45%	0.52%
1994	2,284	2,767	29	122	\$25,099	\$23,566	0.47%	0.57%
1995	2,451	3,391	26	120	\$26,931	\$27,928	0.51%	0.71%

Source: *Enterprise Florida, Inc.*, Department of Research

Note: The category A refers to Motor Vehicles and Passenger Car Bodies; Category B refers to Motor Vehicle Parts and Accessories.

As detailed in table 20, over the five-year period represented, 1990 to 1995, in terms of manufacturing motor vehicle bodies, Florida's employment level grew by 17.6 percent. This expansion level compared very favorably to the U.S. level, which grew by only 7.1 percent over the same period. In terms of establishment growth for this category, Florida experienced a 44 percent increase during the review period compared to 47.9 percent nationwide. In terms of motor vehicle parts and accessory manufacturing, Florida's employment level during the review period expanded by 33.9 percent; in contrast, the national growth rate in employment was 26.6 percent. When establishment data is evaluated for this category, the number of Florida firms grew by 34.8 percent from 1990 to 1995, while the number of U.S. firms grew by 22.6 percent over the same time period. In conclusion, while both these industry categories capture a larger share of total U.S. manufacturing employment, Florida grew by a faster pace in terms of both employment and number of establishments.

### **Florida's Advantages in the Automobile Industry**

Even though Florida currently does not have a major automotive assembly and manufacturing plant, the state has a number of significant advantages that it can effectively maneuver to entice such a plant. As noted in the previously-referenced August 1997 study, these advantages include low manufacturing wages; exceptional transportation infrastructure; low taxes; competitive electricity and natural gas costs; and superior education and training. Further details on some of these advantages are as follows:

- » Low Manufacturing Wages: Florida's manufacturing wages remain considerably lower than the national average. Specifically, while the national average for motor vehicle manufacturing remains at \$59,269, Florida's rate for manufacturing motor vehicle bodies stands at \$26,931. Similarly, wages for manufacturing motor vehicle parts and accessories at the national level stood at \$41,359, while the average in Florida remained at \$27,928.
- » Exceptional Transportation Infrastructure: Florida's statewide multi-modal transportation network enables companies to swiftly move their products to their destinations at considerably reduced costs. This impressive network includes:
  - » Four major interstate highways, a 12,000 mile state highway system and more than 100,000 miles of local roads;
  - » 3,000 miles of rail lines connecting the state's 14 freight rail roads to major business centers and distribution nodes;
  - » 22 major commercial airports, 12 of which offer international service;
  - » 14 deep-water seaports, including four of the nation's top 25 container ports. (As demonstrated in the first section of the report, the Port of Jacksonville is the busiest port in the nation for transporting vehicles, with a number of the South's assembly plants using this port to ship their vehicles to overseas markets.); and
  - » Low Taxes: Florida's low tax structure makes the state very attractive to businesses alongside the lack of a personal income tax.