

MISSOURI'S AUTOMOTIVE INDUSTRY REVS UP FOR A COMEBACK

by Missouri Department of Economic Development

The manufacturing sector, particularly the automotive manufacturing industry, has a long, rich history in the Show-Me state. Going back to 1897, when the St. Louis Gasoline Engine Company manufactured some of the first gas engines, Missouri has been home to highly-productive automotive plants and an exceptionally-skilled automotive workforce. Oftentimes the lifeblood of communities, these plants helped keep the heartbeat of Missouri's manufacturing sector alive.

However, when the automotive industry hit a speed bump in the mid-2000s, Missouri was not spared from the global decline. By 2009, Missouri's auto manufacturing jobs had declined by 35 percent and several major automotive assembly plants were closed. The effects of this were evident in communities across the state, where once-bustling towns were now dominated by quiet streets and shuttered businesses.

REVVING UP

In 2009, Gov. Nixon established an Automotive Task Force charged with identifying ways to bring Missouri's auto manufacturing sector back to life. The following year, after working closely with the legislature, labor unions and auto industry leaders, the Missouri Manufacturing Jobs Act was signed into law.

The act brought dramatic results. First came Ford's October 2011 announcement of \$1.1 billion in new investments; its plan to create 1,600



new jobs at its Kansas City assembly plant; adding a second production shift for the F-150; and bringing production of the Transit van to America for the first time. Ford's announcement was followed less than two weeks later with the unveiling of General Motors' plan to invest \$380 million in its Wentzville Assembly Plant, creating 1,660 new jobs to build the Chevrolet Colorado.

ACCELERATING GROWTH

That was just the beginning. Historic investments by Ford and GM created a domino effect on Missouri's auto industry, with automotive plant and after-market product suppliers also launching expansions across the state. These expansions brought positive benefits that revived not only the auto sector but also the towns that housed them. Troy, Toyota Bodine invested \$3M and brought 35 new jobs to town. In Carthage, Leggett & Platt pumped \$5.1M into its Flex-O-Lators facility and created 12 new jobs to produce the additional seating components

necessary to keep up with the ramped-up demand by local manufacturers.

International suppliers took note of Missouri's surging automotive industry, establishing new domestic facilities. Expansions were announced by a Chinese company, Yanfeng USA Automotive Trim Systems (\$45M investment, 263 new jobs in Riverside); Spain-based Grupo Antolin North America (\$15.7M investment, 118 new jobs in Kansas City); and Martinrea Riverside LLC, headquartered in Canada (290 new jobs in Riverside).

Ford and General Motors were not quite done investing in the Show-Me state. In June 2013, GM announced an additional \$133 million investment in Wentzville to add a third stamping press and expanded again in September 2014 when it announced plans to add a third shift and 750 new jobs. Ford followed suit and announced plans to add a second shift to build the all-new Transit van, adding 1,200 jobs in Kansas City.

THE ROAD AHEAD

The revitalization of Missouri's auto industry is on the upswing, and people are taking notice of the automotive innovations rolling out of the Show-Me state. This past fall, the 2015 Chevrolet Colorado, manufactured in Wentzville, was named the 2015 MOTOR TREND Truck of the Year.

The economic impact of this Missouri industry is growing. A recent report released by the Missouri



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Economic Research and Information Center found that the expected cumulative contribution from 2010 to 2015 of the retained/new jobs and capital investments made in the automotive industry over the six-year period would support 35,146 jobs by 2015. These jobs and spending would cumulatively support \$8.7 billion in personal income and \$15.4 billion in gross domestic product over the six years. To view the full report, visit www.missourieconomy.org/pdfs/AutoEcoIMPACT_10_21_14.pdf.

Missouri's competitive business environment and central location, combined with the skills of a top-notch workforce, continue to position the state as a premier destination for automotive manufacturing, ensuring Missouri's success in the automotive industry for generations to come.

To view an interactive timeline detailing Missouri's automotive resurgence, visit www.governor.mo.gov/auto.

Contact the Missouri Department of Economic Development at www.ded.mo.gov or 573-751-4962.



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