

TEXAS AUTOMOTIVE INDUSTRY

Texas Economic Development & Tourism | Office of Governor Greg Abbott

Texas is home to a well-established automotive manufacturing sector that has continued to grow throughout the 21st century. A right-to-work state, Texas is nationally ranked in the top 10 for automotive manufacturing employment and establishments. There are a number of factors powering growth in this industry, including a large and highly skilled workforce, a central geographic location in North America, exceptional quality of life for workers and a business-friendly climate for companies of all sizes to thrive.

AUTO GROWTH IN HIGH GEAR: More than 1,750 automotive manufacturing plants are already located in Texas and additional companies moving or expanding to Texas at a rapid pace. Since 2017, automotive plant investments in the Lone Star State have totaled more than \$2.5 billion. Due to this growth, the state has experienced a 17% increase in automotive manufacturing output since 2014.

WORKFORCE OF THE FUTURE: The auto sector employs more than 40,000 workers, ranking Texas seventh in the U.S. for total automotive manufacturing employment. Our state's innovative workforce development programs, such as the Skills Development Fund, are helping cultivate the automotive workforce of the future.

HOME TO INDUSTRY LEADERS: Many companies on Fortune's Global 500 list have headquarters or major operations in the state, such as Toyota, General Motors, Toshiba, Caterpillar and Tesla. The General Motors automobile factory in Arlington has been in operation for more than 60 years. In addition, Peterbilt and DeLorean Motor Corp have long-established operations in the state.

DRIVING MAJOR INVESTMENTS: Many companies have made major investments in the auto industry in Texas. The new Tesla Gigafactory, currently under construction in the Austin area, was named deal of the year in 2020 by Business Facilities Magazine. The new facility is expected to create 5,000 new jobs and more than \$1 billion in capital investment. Toyota's most recent expansion was at their San Antonio truck

assembly plant, creating \$391 million in capital investment. Other companies that have recently announced investments in Texas include East Penn Manufacturing Co., Navistar, Continental Automotive and Saleen Performance Parts.

DEVELOPING SUPPLY CHAINS: Toyota supplier, Aisin AW recently announced plans for a new \$400 million manufacturing facility in Cibolo. The facility will produce automatic transmissions for Toyota's trucks and hybrids built in nearby San Antonio. This project will not only create 900 new jobs in Texas, but will open the door for others in the auto supply chain to locate to the area.



NEW ROADS IN RESEARCH & DEVELOPMENT: Texas is a trailblazer in automotive research and development. State universities like Texas A&M University (TAMU) and University of North Texas (UNT) both have major infrastructure to study autonomous vehicles. The UNT College of Engineering is focused on understanding how Connected Autonomous Vehicles (CAV) interact with other disciplines and how CAVs can lead the future of intelligent mobility. The Connected Autonomous Safe Transportation (CAST) Program at TAMU is focused on mapping, localization, guidance, navigation and control for autonomous ground and aerial vehicles. In 2017, international mobility supplier, DENSO donated 30 Dedicated Short-Range Communication devices to assist CAST with their research.

AUTOMOTIVE MANUFACTURING EMPLOYMENT IN TEXAS

Top Automotive Manufacturing Employers in Texas (2019)	# of Employees
1 General Motors	8,700+
2 Toyota	7,200+
3 Peterbilt Motors	3,000
4 Toshiba International	1,900+
5 Caterpillar	1,200

Sector (Industry Code)	Employees	Firms	Average Annual Wage
Motor Vehicle Manufacturing (3361)	11,946	37	\$88,660
Motor Vehicle Body and Trailer Manufacturing (3362)	7,997	188	\$49,920
Motor Vehicle Parts Manufacturing (3363)	18,182	321	\$55,848
TOTAL	38,125	546	\$64,886

Source: U.S. Bureau of Labor Statistics, Q3 2020 Data

FUELING INNOVATION: Private companies are also leading significant automotive R&D initiatives in the state. In 2019, DENSO invested \$1.3 million to open the Texas Innovation and Connected Center. The center, located in Plano with close proximity to Toyota's North American headquarters, develops innovative technologies for connected vehicle solutions. Since 1953, Intertek has operated an automotive testing lab in San Antonio, helping Texas lead the way in quality assurance and safety. The lab focuses on testing engine emissions, durability of vehicles, analytic chemical testing, permeation testing and much more.

CHARGING FORWARD WITH EV: Texas is increasingly becoming a national hub for electric vehicle manufacturing. The electric-transportation sector in 2019 contributed about \$690 million to the Texas economy. Statewide last year, more than 1,200 electric-transportation-related businesses employed more than 7,100 people. By 2024, the electric transportation workforce in Texas is expected to climb to 13,500, and with pro-growth EV policies, Texas is fueling unprecedented progress in this quickly evolving sector.

MAJOR AUTO EMPLOYERS IN TEXAS



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Office of the Governor
Texas Economic Development & Tourism

The Texas Economic Development and Tourism Office (EDT) serves as the state's leading economic development organization marketing Texas as the world's premier business investment destination. The division pursues business expansion and relocation prospects, with the goal of developing job creation and export opportunities for the Texas business community.

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