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Alabama's workforce must meet challenges of automakers

Like the Hyundai Sonata that dramatically lowered from the ceiling at the North American International Auto Show in Detroit this week, automobile manufacturing seems heaven-sent for Alabama.

Much of the news-making headlines around the world this week have centered on automakers that have chosen Alabama as a lynchpin of their success. None exemplifies this more than DaimlerChrysler, which unveiled the next generation of the M-Class that has begun rolling off the assembly line in Vance.

The message in videos and interviews presented in Detroit has been that Alabama has a workforce capable of turning out high-quality automobiles in some of the most sophisticated manufacturing operations in the world.

DaimlerChrysler, through its Mercedes-Benz U.S. International division, and Hyundai each have invested more than \$1 billion in manufacturing operations in Alabama. Honda has committed almost \$500 million to building engines near Huntsville. Together, along with their suppliers, automobile manufacturing is an estimated \$4 billion business for the state. The annual payroll associated with the Mercedes plant alone approaches \$400 million.

"When Mercedes stands up in an environment like this and declares that West Alabama is a good place to do business, and Hyundai does the same thing for Montgomery, you can't expect any better than that," said Steve Sewell, executive vice president of the Economic Development Partnership of Alabama, this week in Detroit.

The success during the last decade has come as Alabama lost jobs in more traditional sectors. Farming continues on a decline, while the textile manufacturing is moving overseas. The shift has hit hardest in rural counties where opportunity has vanished: populations shrink, the local tax base erodes and education suffers -- a downward spiral that has not been adequately addressed.

The opportunity that automobile manufacturing creates also presents a challenge that state officials and employers seem to recognize. Ed Woods, former CEO of Gulf States Paper Corp. and a member of the Mercedes-Benz USI board of directors said, "We arguably are now at the point where, before we can take on

another project on the scale of Mercedes, we need to make sure we have an educated workforce."

After all, Hyundai's chief of American operations, Bob Cosmai, called the Montgomery plant "the most advanced manufacturing facility that I've ever seen."

Likewise, Mercedes has a lot riding on the quality of Alabama workers. Its first-generation M-Class exceeded expectations for sales figures but did nothing to improve the company's image for quality. Consumer complaints were not tied to initial quality of the SUVs that rolled off the line in Vance. Problems appear to have been related to the sophisticated electronics that are more complex than in just about any car in the world.

Eckhard Cordes, who took the helm of Mercedes-Benz last summer, says that vehicles built today in Vance are as good as those built in Germany or anywhere else in the world. Comparatively lower wages and a weak dollar, along with improved quality, make manufacturing here very attractive for international companies.

This week in Detroit, Alabama's stock rose in the world marketplace. We have invested much bringing industry here, but to continue to reap those rewards and to broaden the horizons for economic development in Alabama, the state also must invest in building a workforce to meet the challenge.