

Center for Automotive Research (CAR) Study: Summary of Key Points

An Assessment of Japanese Automakers' Impact & Activity in the United States

Read the full report here: <http://www.jama.org/center-for-automotive-research-study-on-japanese-brand-automakers-u-s-impact>

Japanese-brand automakers have a long history of deep investment in the United States, especially in manufacturing and R&D. Overall, these investments support 1.6 million U.S. jobs, underscoring the fact that Japanese-brand automakers are integral to the U.S. auto industry and the country as a whole.

- Japanese-brand automakers have a long history in the United States. With sales operations first established in 1958, the first R&D/design facilities opening in the 1970s, and the first vehicle production facility established in Ohio in 1982. Since 1982, Japanese-brand automakers have cumulatively invested \$53.3 billion in their U.S. manufacturing presence, and they now produce one-third of all U.S.-made vehicles. With vehicle and major parts production operations across 24 U.S. facilities, 49 research and development (R&D) and design centers in various regions of the country, and dealership networks that span all 50 states, Japanese-brand automakers have become an integral part of the U.S. auto industry, making the industry more globally competitive.
- Through their significant investments throughout the U.S., Japanese-brand automakers support jobs in manufacturing, R&D, headquarters, distribution, and other facilities as well as through dealership networks. Each of these jobs in turn supports many other jobs in the U.S. economy. For example, vehicle assembly requires components and systems purchased from external suppliers. Dealerships buy advertising, storage, real estate, and accounting services to support their operations. In addition, automaker, dealership, and supplier employees spend their paychecks in their communities, supporting jobs in the broader economy. In total, Japanese-brand automakers support more than 1.6 million jobs in the U.S.
- Automotive companies originating in Japan, including both automakers and suppliers, are the top source of new greenfield investments in the United States and leading contributors to U.S. automotive R&D activity.

Japanese-brand automakers are actively strengthening the U.S. auto industry's innovation base and its global competitiveness through the development of cutting-edge vehicle technology, and the establishment of long-lasting partnerships with U.S. academia, nonprofit organizations, government, technology-based startups, and other automakers.

- Japanese-brand automakers have actively strengthened the U.S. auto industry's global competitiveness by helping to ensure its leadership in the development of cutting-edge vehicle technology. As the industry and world embrace "future mobility," automated, connected, electrified, and shared vehicle (ACES) technology will be the cornerstone of this evolution. Japanese-brand automakers support the U.S. innovation sector through partnerships with U.S. academia, nonprofits, government, technology-based startups, and other automakers.

- Japanese-brand automakers have helped to create, expand, and strengthen the American auto supply chain – shared among all automakers producing in the U.S. – by encouraging supplier investment and diversity. No vehicle assembled in the United States, by any automaker, is 100% U.S.-made, but Japanese-brand automakers have purchased over \$1 trillion in American-made parts since 1986, with \$61 billion purchased in 2018 alone. The U.S.-Japan automotive relationship further enhances the global competitiveness of both industries while providing consumers with greater access to more vehicles at affordable prices.
- The presence of Japanese-brand automakers in the U.S. has also led to the promulgation of high-efficiency business practices in the U.S. business community. These practices include just-in-time manufacturing, continuous improvement, and employee empowerment to enact change. This has led to incalculable economic growth in industries far beyond manufacturing.

Japanese-brand automakers’ dedication to the American workforce, and their long-term commitment to safety, employee inclusivity, advanced workforce training, and STEM education, further reflect the impact of their U.S. presence.

- The sophistication and intricacy of modern vehicles requires a dynamic talent pool with new skill sets to produce them. This includes engineering, robotics, precision quality control, and computer science. Japanese-brand automakers have invested heavily in ensuring there is a sustainable pipeline of talent by advancing science, technology, engineering, and math (STEM) education and advanced manufacturing awareness and training initiatives, running from early childhood through late-career education.
- These firms' prioritization of workforce development and forward-looking educational initiatives is coupled with a strong performance on workplace safety and a dedication to the inclusivity of employees in problem-solving efforts on the production floor and across the entire enterprise.

Japanese-brand automakers are good American corporate citizens. As integral members of their local communities, they provide critical support through charitable giving, and they have stepped in to help combat the ongoing COVID-19 health crisis.

- Japanese-brand automakers provide significant support to nonprofit organizations, charities, educational organizations, cultural institutions, and events in their communities. This philanthropic activity represents an investment not just of money, but also of staff time, that is emblematic of Japanese-brand automakers’ commitment to serving and improving the communities where their facilities are located.
- As integral members of the communities in which they operate, Japanese-brand automakers have worked to support the U.S.’s overall efforts to combat the ongoing COVID-19 health crisis. They have stepped in to produce and donate personal protective equipment (PPE) as well as to support community-oriented relief programs.

*Source: “An Assessment of Japanese Automakers’ Impact & Activity in the United States” by the Center for Automotive Research (CAR), July 29, 2020