

Shift Gears Towards the Automotive Industry in the Southeastern United States

When thinking of investing in the U.S. automotive industry, thoughts often lean towards the Detroit, Michigan area. Check again – the rapidly expanding Southeastern Automotive Corridor has become the new epicenter of automotive manufacturing growth in the United States, abundant with strong networks and growth potential.

Georgia, Alabama, Florida, Mississippi, North Carolina, South Carolina and Tennessee have collectively become a key industry driver for the U.S. automotive market – one of the largest in the world. This comes as no surprise as the Southeast is home to both 25.6% of the U.S. population and one of the nation’s most robust economies, with a GDP of \$2.4 trillion – representing nearly 15.5 percent of the U.S. economy as a whole.

Cars, Light & Heavy Vehicles within a 500 Mile Radius



Reference: Georgia Power

More than 1,060 automotive firms are located throughout the seven states. The region hosts 16 major auto, truck, and bus assembly plants for leading companies such as Hyundai, General Motors, BMW, Honda, Kia, Volkswagen, Toyota and Blue Bird. Mercedes-Benz and Porsche both maintain North American headquarters in Atlanta, GA, and Nissan holds theirs in Franklin, TN.

Business Facilities magazine named Tennessee the top state in its Automotive Manufacturing Strength ranking for five of the past seven years. The Nissan plant in Smyrna, TN is the most productive plant in North America, producing 645,514 cars, trucks and SUVs in 2016. Southeastern automotive assemblers currently have the capacity to produce more than 2.4 million units, which includes units produced at Volkswagen’s newest assembly facility in Tennessee and Kia’s recent production increase. Consumer demand in the Southeast is on the rise – 2016 boasted nearly 3.3 million in new vehicle registrations (19 percent of the national total), a trend that is expected to increase in the near future due to low oil prices.

The Southeast’s sound economy, stable and growing workforce, low unionization, right-to-work status and low costs of doing business provide additional incentives for automotive leaders to drive towards the region. The Southeast can present a lucrative opportunity for any automotive company looking to invest. But what is the best approach? With the right partner to help plan the ideal market entry strategy through M&A or other ways, investing in the Southeastern automotive sector can put firms on the right track for growth and profitability.

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