

Global Trade

JAPANESE AUTOMAKERS 'POSITIVELY IMPACT' US ECONOMY



Japanese automakers “appear to be fully committed to US production, as evidenced by the fact that 70 percent of Japanese-branded automobiles sold in the United States are built in North America,” according to a new report researched by Dr. Thomas Prusa of Rutgers University. Credit: toyota.com

Long-term investments in the US by Japanese automakers “continue to positively impact the overall US economy and benefit a wide range of workers, both those in the auto industry and many more in related industries,” according to a recent report compiled from data researched by Dr. Thomas Prusa, professor of economics at Rutgers University in New Jersey.

“The continued growth and investment of the Japanese-branded automotive industry makes them among the largest job creators in the United States,” the report said. “They are directly responsible for 1.36 million US jobs in 2012, an increase of more than 125,000 jobs over the previous year.

Key findings of the study show that 81,000 workers were employed in Japanese-branded US automotive manufacturing and related operations; 218,000 Americans are employed in the related US automobile supplier network; 380,000 additional jobs were created as a consequence of expenditure-effects related to the direct and intermediate jobs; and 680,000 additional jobs were generated by the Japanese-branded automobile companies’ dealer network.

“The total annual compensation via the jobs created by Japanese-branded automobile companies in the United States is more than \$85 billion, an \$8 billion increase,” he said. “This translates to an average salary of more than \$65,000 per annum per employee.”

At the same time, vehicle production at Japanese-branded automotive plants in the US grew to nearly 3.3 million units, a 36 percent year-over-year increase, while vehicle exports from those same facilities grew 29 percent in 2012. “While some of these increases may be partially due to the recovery from the 2011 Japanese earthquake and tsunami, increased demand and investment also contributed,” wrote Prusa.

“The Japanese appear to be fully committed to US production, as evidenced by the fact that 70 percent of Japanese-branded automobiles sold in the United States are built in North America.”

The study was prepared for the Japan Automobile Manufacturers Association, a non-profit industry association comprised of the 14 Japanese manufacturers of cars, trucks, buses and motorcycles that have operations in the US.