

# Survey: Auto Industry Will Keep Adding People

The Associated Press

DETROIT (AP) — Auto industry executives in the U.S. expect to hire more people and expand their factories in the coming year to handle rising sales, according to an annual survey of executives.

The executives are concerned about finding enough trained workers and they see economic challenges ahead, including slowing auto sales in Europe, according to the survey by accounting and advisory firm KPMG LLP.

The auto industry is going strong, even as the overall U.S. economy remains weak. Pent-up demand for cars and trucks is expected to carry the industry for several years, said Gary Silberg, automotive industry leader for KPMG, in a statement.

"As a result, auto companies and suppliers are ramping up their hiring and production activities, and investing heavily in new products and facility expansion," he said.

Auto and parts manufacturing employment bottomed out at 624,400 people in June of 2009 as the Great Recession officially came to an end, according to government statistics. Since then, the industry has added more than 150,000 jobs, reaching 774,600 last month as automakers and parts companies staffed up to tackle growing sales.

The average age of cars and trucks in the U.S. is approaching 11 years, a record for the industry, according to the Polk research firm. Fearing that their jobs weren't secure, many people kept their older cars longer because they didn't want to take on more debt.

But this year, people have been heading to dealerships to replace their old clunkers. Through the first six months of the year, U.S. auto sales are running at an annual rate of 14.3 million, far above last year's 12.8 million, although short of the 2005's 17 million. Many analysts expect pent-up demand to push sales over 15 million next year and beyond.

But analysts and dealers keep watching for signs that the weak economy will discourage car buyers. There are signs that the pace of sales slowed during the first half of July. But that was also the case in June, yet sales finished the month strong.

Two-thirds of the 100 auto executives surveyed by KPMG said they have added people during the past year, and 72 percent said they will keep hiring in the coming year. That figure is up from 62 percent in the 2011 survey, KPMG said. Nearly one-third said employment at their companies had returned to or would return to pre-recession levels by the end of this year.

## **Survey: Auto Industry Will Keep Adding People**

Published on Industrial Maintenance & Plant Operation (<http://www.impomag.com>)

---

Also, 73 percent said their company will increase capital spending during the next year, with investments going to new products and services and expanding facilities, according to the survey.

KPMG said the survey was taken in May of executives at industry firms with annual revenues from \$100 million to more than \$10 billion.

Many in the auto industry are worried that parts companies don't have enough people or factory capacity to keep up as sales continue to rise.

**Source URL (retrieved on 12/20/2014 - 9:48pm):**

<http://www.impomag.com/news/2012/07/survey-auto-industry-will-keep-adding-people>