

Report: Ohio tops nation in manufacturing

By LARRY RINGLER Tribune Chronicle
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Rumors of the death of American manufacturing may be exaggerated — especially in Ohio — if an industry research firm's analysis is on target.

The state leads the nation in manufacturing, while a total of 14 states are best positioned to compete nationally and globally, according to Chicago industry research group eMvoy.

The local list of competitive companies includes steelmaker WCI Steel Inc. in Warren, RTI International Metals Inc., auto parts maker Stoneridge Inc. and Ajax Tocco Magnethermic in Howland.

The independent technology and industry research company said it arrived at its findings after evaluating 100,000 U.S. manufacturers.

"Our data pointed to a complex, yet very optimistic picture of U.S. manufacturing," eMvoy Chief Executive Officer Craig Landy said of the study done between September 2005 and August.

The results seem to counter the steady drumbeat of job and wage cuts at many manufactures, chiefly Warren-based auto parts maker Delphi Packard Electric. Ohio manufacturing job losses in recent years run into the hundreds of thousands.

The cutbacks may help explain the health of the surviving companies, an eMvoy spokesman said.

"To a certain extent it seems like cost-cutting and getting leaner" are making companies more competitive, content Editor Joseph Tucker said.

Ajax Tocco is one such company that emerged stronger from rough times.

"Business is good," said Steve White, the company's vice president and chief financial officer.

Ajax, a global leader in induction-heating furnaces to melt and process steel, filed for bankruptcy and terminated 200-plus workers in June 2002. Cleveland holding company Park-Ohio bought it later that year.

Employment has climbed to about 300, and the company is still looking for electrical engineers and assemblers as it moves into new foreign markets, White said.

"We have an office in Thailand that's relatively new, and we continue to expand in Japan, China, Germany and Eastern Europe. We're looking to get into Russia," he said.

Reid Dulberger, executive vice president for the Regional Chamber, pointed to WCI as another example of companies that have restructured to be more competitive.

"After a couple of rocky years, the company came out of bankruptcy and is investing in capital equipment, yet with a slightly smaller work force," he said of WCI, which left bankruptcy May 1 after 2 1/2 years.

Dulberger said the list didn't include "a dozen other companies" in the Mahoning Valley that are equally or almost equally innovative and effective competitors.

The study didn't surprise John Russo, co-director of Youngstown State University's Center for Working Class Studies.

"We're still good at fabricating, and we've benefited from foreign auto plants in the southern part of the state that use suppliers," he said.

But Russo questioned the driving force behind manufacturing.

"It's the financial community," he said, referring to hedge funds and other large investor groups that take over or buy big stakes in companies. "To what extent the financial schemes help or hurt manufacturers?"

eMvoy didn't release point totals in its state or company rankings but said it considered company stability, market penetration, technology and Web presence in its analysis.

It said it collected information with its proprietary Internet-based system to collect "massive volumes of data," along with third-party databases that, for example, listed ISO 9000 registered companies. It also used information provided by the individual companies.

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