Vision
“We will leverage the strengths and assets of Michigan’s automotive industry for sustained intellectual and manufacturing global leadership. Our vision is that every significant entity in the global automotive industry has a strong presence in the State of Michigan”

Mission
A Mandate from Michigan’s Governor
“To implement and execute a comprehensive strategic plan to drive Michigan’s automotive industry forward to remain as the global center of the automotive industry and to foster sustainable growth within the industry in Michigan”
Michigan is Automotive!

<table>
<thead>
<tr>
<th>Jobs</th>
</tr>
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<tbody>
<tr>
<td>- Auto supports <strong>513,300</strong> jobs in Michigan^1</td>
</tr>
<tr>
<td>- <strong>14.6%</strong> of Michigan’s workforce is employed in automotive^3</td>
</tr>
<tr>
<td>- <strong>22.1%</strong> of all direct auto jobs in the United States are in Michigan^3</td>
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<table>
<thead>
<tr>
<th>Industry Presence</th>
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<tbody>
<tr>
<td>- Michigan is home to <strong>61</strong> of the top <strong>100</strong> North American automotive suppliers^4</td>
</tr>
<tr>
<td>- Michigan produces <strong>23%</strong> of the vehicles in the nation, more than any other state^1</td>
</tr>
<tr>
<td>- Michigan leads U.S powertrain production with <strong>31%</strong> of engine and <strong>26%</strong> of transmission output^1</td>
</tr>
</tbody>
</table>

| Michigan has 12 assembly plants & 35 automaker parts & component plants |

<table>
<thead>
<tr>
<th>State Revenue</th>
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<tbody>
<tr>
<td>- The auto industry generates <strong>$2.8 Billion</strong> in direct taxes and fees to Michigan’s Treasury in 2010^1</td>
</tr>
<tr>
<td>- Direct automotive jobs generate <strong>$14.5 Billion</strong> in personal income in Michigan^2</td>
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<thead>
<tr>
<th>Technology &amp; Talent</th>
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<tr>
<td>- Michigan is the automotive R&amp;D hub with <strong>370</strong> R&amp;D centers and more than <strong>70%</strong> of all U.S. automotive R&amp;D spending^6</td>
</tr>
<tr>
<td>- Michigan ranks <strong>#1</strong> nationally in concentration of engineers, with <strong>65,000</strong> industrial, mechanical, and electrical engineers^3</td>
</tr>
<tr>
<td>- Michigan has <strong>650</strong> automotive education programs offered at <strong>91</strong> institutions^1</td>
</tr>
</tbody>
</table>

Sources: 1) Center for Automotive Research, 2) U.S. Census Bureau, 3) U.S. Department of Labor, 4) Automotive News, 5) MEDC, 6) NSF
Strategic Plan Summary

Technology
“Globally Best in Class”
- Connected and automated vehicles
- Advanced light-weighting and multi-material vehicles
- Advanced powertrain and propulsion systems
- Advanced manufacturing
- Integrated and connected supply chain
- R&D, advanced engineering and pilot plant

Talent
“Attract and Retain the World-Class Talent”
- Engineering and design
- Software and coding
- Systems integration
- Skilled trades including re-training
- Creation of “master technicians”
- Technology management excellence
- Manufacturing management excellence

Capital
“The Right Capital at the Right Time”
- Federal funds
- State funds
- Government owned/contractor operated
- Industry investment
- Public-private partnerships
- Venture capital and private equity
- Foreign direct investment

State of Michigan Strategic Plan
Automotive Industry Stakeholders
High-Level Road Map for Enabling Michigan’s Future Automotive Industry

Phase I: Plan
Phase II: Build
Phase III: Accelerate
Phase IV: Leverage

Strategic priorities will evolve and adapt to both disruptions and new opportunities
Industry Drivers & Future Trends

Demographics & Vehicle Market
- Rising urbanization
- Vehicle segment shifts
- Global platforms

Vehicle Design
- Smaller
- Lightweight
- Connected
- Personalized
- Environmentally-friendly

Connected & Automated Vehicles
- Vehicle to Vehicle (V2V) and Vehicle to Infrastructure (V2I) technologies
- Increasing levels of automation
- ITS integration with connected vehicles

Powertrain & Propulsion Technologies
- Continuing drive for CO₂ reduction
- Harmonization of standards across global regions

Material Technologies
- Light weight
- Advanced mixed materials
- New forming technologies
- New joining technologies

Manufacturing and Supply Chain
- Hyper-efficient
- Sustainable
- Modular manufacturing
- Logistics/supply chain management
Michigan Has Opportunities in Connected & Automated Vehicle Technologies; Must Close Talent Gaps

Key Future Drivers

- The confluence of connected and automated vehicle technologies and personalization apps create opportunities
- New vehicle ownership and business models develop
- Intelligent Transportation Systems (ITS) will become prevalent in urban areas
- Non-automotive tech firms may become players in intelligent mobility
- Emergence of ADAS and V2V/V2I safety mandates

Strategies for Michigan

- Leverage Michigan’s expertise and experience to attract federal and industry investment
- Support and lead NHTSA V2V mandate implementation
- Make Michigan the center for intelligent mobility-as-a-service business model
- Attract relevant electronics, software, and systems integration firms to locate in Michigan
- Support industry investment in collaboration, testing, and certification facilities
- Expand relevant educational and training programs
Automotive Operational Plan

Strategic planning process has identified Seven Initiatives that are **keys** to success:
Create statewide engineering collaboration centers that focus resources upon strategic plan priorities
“Pedal to the Metal”
Driving Success Stories

- Engagement with industry
- AV Bill
- NAIAS & SAE Congress
- ALMMII
- Meaningful Analysis:
  - Talent Study Kick-off
  - Plant Footprint Study
  - Tool & Die Study
- International Trade Missions
THE BIG M
Manufacturing Convergence
Shaping the Future of Manufacturing in the Great Lakes Region
Cobo Center | June 9 – 12, 2014

Contact: Christine Longroy, Event Manager
313-425-3137 | clongroy@sme.org
World Congress on Intelligent Transport Systems: Reinventing Transportation in our Connected World

September 7-11, 2014 | Cobo Center

www.itsworldcongress.org | #ITSWC14
Questions & Discussion

Success will come via large scale collaboration!

Thank You for Your Support!

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Senior Advisor, Automotive, State of Michigan
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