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Automotive News

Auto industry fuels record N.A. robot sales

Supplier exec: Technology makes workers 'hyperproductive'

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Automakers and automotive suppliers in North America bought robots in record numbers last year, lifting the region's robotics industry to its strongest year ever.

The auto industry accounts for nearly two-thirds of North American robotic sales, says Jeff Burnstein, president of the Robotic Industries Association.

He says automation has been widely accepted throughout the auto industry, from major automakers to Tier 3 suppliers.

"Anybody who's selling in automotive is likely to be automated," Burnstein says. A record 22,598 robots valued at $1.48 billion were sold to companies in North America in 2012, the association says.

Automakers in North America bought 8,445 robots last year, up 47 percent from a year earlier and more than the previous record of 7,715 in 2005, the association says.

Automotive parts makers in North America bought 6,459 robots in 2012, up 21 percent from the previous record of 5,346 a year earlier, says Alex Shikany, the association's director of market analysis. Unit sales represent robots sold, but not necessarily delivered.

North American orders placed by automakers totaled $614.2 million in 2012, up 65 percent from 2011 and more than the previous record of $453.5 million in 2005, the year that the Robotic Industries Association began collecting the data. Automotive suppliers' orders totaled $330.3 million in 2012, up 29 percent from 2011 but less than the record of $348.7 million in 2005.

Despite steep upfront costs, some small suppliers have bought robots because they have had difficulty finding people to fill factory jobs.

One such supplier is Vickers Engineering, a Tier 2 supplier in New Troy, Mich., about 20 miles northwest of South Bend, Ind.

"There's a colossal stereotype that the manufacturing industry is dead," Vickers CEO Matt Tyler says, and parents don't encourage their children to pursue factory jobs anymore. Many people don't realize that manufacturing today isn't what it was 20 to 30 years ago, he says. "It's much safer, cleaner and technological."

Vickers is a machining and fabrication company that supplies automakers including Nissan, Honda and General Motors, as well as other industries.

Certain factory jobs have seen a swing to fewer human workers and more robotic ones. But manufacturers also need workers to program and manage the robots. "Factory jobs for people are transitioning from labor-intensive to thinking-intensive," Tyler says.

The healthier automotive industry's increased manufacturing in the United States has led to job growth, Burnstein says.

"The belief that implementation of automation technologies reduces jobs," he says, "is simply not true."

Drew Greenblatt, president of Marlin Steel Wire Products of Baltimore, which sells to automotive customers and several other industries, says the robots in his factory are adding jobs.

Although Greenblatt only has about 30 workers in his plant -- which he says is about double the size of an average factory -- robot technology makes those employees what he calls "hyperproductive." A human worker operating a robot at Marlin can produce more steel products than a human working alone could.

This added productivity generates more business for Greenblatt, and in turn, requires him to hire more workers to operate the robots.

In addition to creating higher-paying jobs, automation helps workers keep their current jobs, Greenblatt says.

If Marlin couldn't compete technologically and keep up with other steel-wire manufacturers, he wouldn't be able to keep his workers employed.

"I suppose conventional wisdom says if you buy more robots, you'll eliminate jobs," he says. "And that's an easier-to-explain story, but it's not necessarily accurate."

Rise of the robots

The number of robots sold to North American automakers and auto parts makers set records last year.

	Automakers	Parts makers
2005	7,715*	4,966
2006	3,954	3,210
2007	6,258	3,982
2008	3,194	3,218
2009	3,358	1,641
2010	4,010	2,676
2011	5,754	5,346*
2012	8,445	6,459

*Previous record

Source: Robotic Industries Association

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http://www.autonews.com/apps/pbcs.dll/article?AID=/20130422/OEM01/304229991/auto-industry-fuels-record-n-a-robot-sales#axzz2RC0FhWlr

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