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WINTER 2019

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WINTER 2019

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SOUTHBOUND

By Michael Randle, EDITOR

Subsidies, incentives and legal immigration

OKAY FELLOW JOURNALISTS, THIS IS FOR YOU: stop calling incentives “subsidies.” The one thing we need to do as an industry is to change the word from “subsidies” to “incentives.” “Subsidies” are what GM and Chrysler received in 2009 to keep their companies open and running. Without government subsidies, both of those car makers would have been toast. They were meant to save the companies, not create any jobs, at least on the front end. “Incentives” are paid to create jobs. There is a big difference.

In 2009, U.S. Department of Commerce Secretary Wilbur Ross (he was not Secretary Ross then) and I were on CNBC during the auto bailout discussion. Ross said on the show that the domestic auto industry was going down because of “subsidies paid by Southern states to foreign automakers.” I disagreed with him, saying, “Mr. Ross, these are not subsidies. They are incentives in return for billions in investment and tens of thousands of high-paying jobs. What you want to do with GM and Chrysler is a subsidy because the goal is to simply prevent them from closing for good.”

It’s easy to calculate the return on incentives. Don’t bother calculating tax generation or anything else other than wages. It doesn’t matter the size of the employer. Just count how many employees are working there and then multiply that by the average salary per year. Then compare that figure to the incentives that were granted. For example, the BMW plant in Greer, S.C.— just the plant — pays out wages of about \$700 million a year. So, let’s say the BMW plant has averaged a \$300 million annual payroll in the 25 years of its existence. That’s almost \$8 billion in wages. . . so far.

Trump team quietly plans increase in legal immigration

The biggest challenge this country is facing now, and for many years or decades to come, is that too few people are being born and too many people are aging out of the workforce. In other words, we cannot replace those workers that are retiring.



Not only can we not replace our current workers, we can’t even come close to filling the number of jobs that are available.

I will give President Donald Trump credit here. He knows that we cannot replace our current workforce as a result of the lowest fertility rates in the nation’s history. If you recall, in his state of the union address, Trump said, “Legal immigrants enrich our nation and strengthen our society in countless ways. I want people to come into our country in the largest numbers ever, but they have to come in legally.”

I am sure that statement angered the hardline immigrant activists that support him. Regardless, Trump has charged his son-in-law Jared Kushner to work on a proposal that would increase the number of low- and high-skilled workers admitted into the country annually. Today, the U.S. brings in about 1 million legal immigrants a year. To replace our current workforce, that figure needs to be tripled.

Just look at our labor situation right now. There are 7.5 million jobs available and about 150,000 takers on average per month. In fact, in February, only 20,000 Americans were hired to fill 7.5 million available jobs. Just imagine what our economy would be like if those millions of jobs were filled in just two years? 🌟

Southern Business & Development (ISSN 1067-8751) is a registered trademark TM. Founded in 1992 and published quarterly in March, June, September and December by MCR Publishing, Inc. Affiliated Websites include www.RandleReport.com, www.SB-D.com, www.SouthernAutoCorridor.com. Office address: 8086 Westchester Place, Montgomery, AL 36117. Phone: 334-612-7093. To subscribe call 334-612-7093 during normal business hours. Annual subscription: \$25. Single edition delivery by three-day mail: \$10. Information contained in SB&D and on its websites is gathered from reliable sources, however, the accuracy of this information is not guaranteed. All rights reserved. Permission must be granted by SB&D for reprint rights, in whole or in part. Copyright 1992-2019. Southern Business & Development TM 1997. Southern Auto Corridor and Southern Automotive Corridor TM 2003.

SOUTHERN
BUSINESS & DEVELOPMENT

Owner, Editor & Publisher

Michael C. Randle
mike@sb-d.com

Managing Editor

Stacy C. Randle
stacy@sb-d.com

Project Managers

Matthew E. Randle
matthew@sb-d.com
Shelly Jo Jacobs
shellyjo@sb-d.com

Art Director

Stacy C. Randle
stacy@sb-d.com

Writers

Michael C. Randle
Beth Braswell
Lee Burlett
Trisha Ostrowski
Matthew Randle
Stacy Randle

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Texas high-speed train named one of the most important infrastructure projects in the world

In the winter quarter, CG/LA named the proposed Texas high-speed train one of the top infrastructure projects in the world. CG/LA's report selects projects with widespread and strategic importance in 30 different countries. The new high-speed train project will link Houston to Dallas-Fort Worth when completed. Nearly 50,000 Texans, sometimes called "super-commuters," travel back and forth between Houston and Dallas-Fort Worth more than once a week. The new high-speed rail will utilize the N700 bullet train available in Japan (shown here) to transport riders between the cities in 90 minutes.

U.S. population growth hits 80-year low

Census data published in the winter quarter showed that the U.S. population grew from 2017 to 2018 by just 0.62 percent. The growth is the lowest registered since 1937, or in the last 80 years. Nearly a fifth of all states lost population over the past two years.

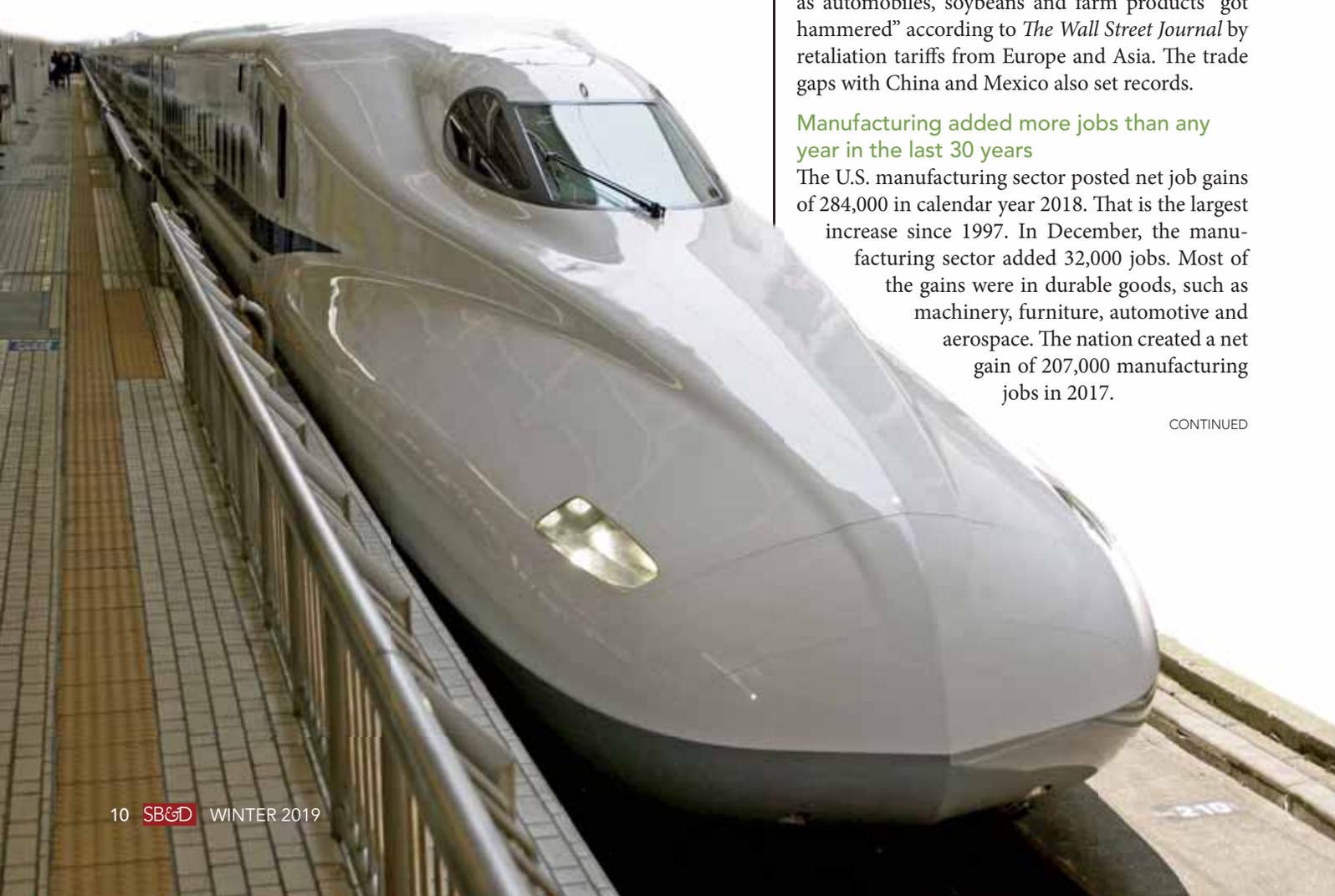
U.S. trade deficit hit a record in 2018

According to a report published in March by the U.S. Commerce Department, the U.S. trade deficit in goods hit a record high of \$891.3 billion in 2018. The high deficits are a blow to President Trump's trade policies that were supposed to lower the deficit. As imports jumped, some exports such as automobiles, soybeans and farm products "got hammered" according to *The Wall Street Journal* by retaliation tariffs from Europe and Asia. The trade gaps with China and Mexico also set records.

Manufacturing added more jobs than any year in the last 30 years

The U.S. manufacturing sector posted net job gains of 284,000 in calendar year 2018. That is the largest increase since 1997. In December, the manufacturing sector added 32,000 jobs. Most of the gains were in durable goods, such as machinery, furniture, automotive and aerospace. The nation created a net gain of 207,000 manufacturing jobs in 2017.

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AROUND THE SOUTH

The Federal Energy Regulatory Commission has approved the Venture Global LNG export facility in Calcasieu Pass near Lake Charles, La. Shown here is an artist's rendering of the facility.



Manufacturing jobs up for 18 straight months

American factories are hiring again, more so than at any time since the mid-1990s. After years of job losses as a result of a lack of competitiveness and automation, manufacturers in the U.S. have hired a net gain of employees for 18 consecutive months. Employment in the manufacturing sector peaked at 19.6 million in 1979. It is 12.8 million today. The sector hit its low of 11.5 million in 2010.

The South dominates Milken Institute's Best Performing Cities ranking

For the second consecutive year, Provo, Utah, with its large high-tech sector, job and wage growth, is the Best Performing City in the U.S., according to the Milken Institute. But Raleigh, N.C., came in second and Dallas third. Rounding out the top 10 are San Francisco, Fort Collins, North Port-Sarasota-Bradenton, Nashville, Orlando, Austin and Salt Lake City.

FERC approves construction of LNG export facility in Southwest Louisiana

The Federal Energy Regulatory Commission has approved the Venture Global LNG export facility in Calcasieu Pass near Lake Charles, La. Spokespersons for the company said they will begin construction on the multi-billion-dollar facility immediately. The plant will be built on a 1,000-acre site where the Calcasieu Ship Channel meets the Gulf of Mexico. The facility will deliver low cost liquefied natural gas to customers around the globe.

U.S. industry groups send appeal to Trump to end U.S. metals tariffs

Four dozen U.S.-based industry groups sent a letter of appeal to the Trump administration in January asking to put an end to the steep U.S. tariffs on imported steel and aluminum. The appeal centered on the metal tariffs creating economic hardship for those who use import-

ed metal for final assembly of a variety of products, including automotive and aerospace. The industries are also suffering from the retaliation of tariffs by Mexico, European nations and China.

Overcome by paperwork, Texas steel products manufacturers just hanging on as tariffs cut deep into their profits

Texas oil and gas pipe firms are filling out government paperwork in attempts to get exemptions from 25 percent tariffs on foreign steel imposed by President Donald Trump. One steel manufacturer in Texas has filled out 500 exclusion requests to the U.S. Department of Commerce since tariffs have been imposed, most of which have not been processed. Why 500 exclusion requests? To get around the tariffs, companies must fill out exemptions for every grade of steel they need from foreign suppliers. In the meantime, the Texas

company has lost 25 percent of its customer base as prices for the company's pipe have risen as a result of the tariffs. According to government data, nearly four out of five exemption requests filed by Texas companies have not been processed by the Commerce Department. When the steel tariffs were approved in March 2018, Commerce expected about 4,500 exemption requests each year. Instead, Commerce has been inundated by the formal requests, receiving more than 66,000 in the first year. One of the reasons Texas pipe companies have been losing so much business is that many of their customers are international firms who can buy steel from other countries to avoid the tariffs.

Solar energy losing jobs

The solar energy industry had a banner year in 2016, where the share of employment in the electric power sector rose to 43 percent. Compared to the whole of the fossil fuel industry (at 22

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percent), solar jobs were the fastest growing in the entire sector. Trump's tariffs ended that run. Since the U.S. put a 30 percent tariff on foreign-produced solar panels two years ago, the solar industry in the U.S. lost 10,000 jobs in 2017, followed by a loss of 8,000 solar sector jobs in 2018.

Massive solar power project for Google's data centers in Northern Alabama and Tennessee
Google is working with TVA to deploy 1.6 million solar panels to power two huge Google data centers in Al-

abama and Tennessee. The solar farms will be located in Hollywood, Ala., and Yum Yum, Tenn. The sites will be among the largest energy projects in the Tennessee Valley region and the largest ever to be built for Google.

Fewer international students are enrolling at U.S. universities

Fewer international students are enrolling at U.S. universities. At the same time, the Trump administration is planning a new regulation that would make it tougher for those same students to attend college. Currently, inter-

national students can work 12 months in the U.S. on the Optional Practical Training program (OPT) and an additional 24 months on STEM OPT if they earn degrees in science, technology, engineering and math fields. Canada has far more options for foreign students to work in that country. The Trump administration's DHS agenda has initiated restricting or eliminating OPT or STEM OPT beginning this year or next year. The regulation states, "ICE [Immigration and Customs Enforcement] will propose this rule to improve protections of U.S. workers who may be negatively impacted by employment of non-immigrant students on F and M visas."

Labor unions call on Congress to pass programs to protect immigrants

A coalition of big labor unions called on Congress to pass expansions on programs to protect immigrants with temporary work permits. Led by the AFL-CIO, more than 30 unions sent a letter to Congress asking for protections for "Dreamers" (immigrants who arrived in the country illegally as minors) and beneficiaries of two humanitarian immigration programs — temporary protected status (TPS) and deferred enforced departure (DED). "For the labor movement, these programs have been vital in ensuring that thousands



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AROUND THE SOUTH



The Air Force said in the winter it will rebuild Tyndall Air Force Base near Panama City, Fla., to be the “air base of the future.” The base was destroyed by Hurricane Michael.

of working people have rights on the job and the freedom to negotiate together for fair pay and working conditions,” said AFL-CIO President Richard Trumka. More than 300,000 people have TPS protections in the U.S., which allows them to legally live and work. In a period when labor is incredibly tight, the Trump administration has cut back TPS protections and has let DED expire.

Northwest Florida’s Tyndall Air Force Base to be rebuilt as “Air Base of the Future”

After taking a direct hit from

Hurricane Michael, Tyndall Air Force base near Panama City, Fla., is somewhat operational, with some unmanned F-16 jets flying again. The Air Force said in the winter it will rebuild Tyndall to be the “air base of the future.” Officials said the rebuilt base will be safe from storm surge and winds up to 180 miles per hour. The expected cost of the rebuild is \$3 billion.

Warren Buffett discusses “disaster” contributing to California exodus in CNBC interview

During the winter quarter, the billionaire Warren Buffet

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At 4.7 percent, the unemployment rate in Mississippi is at an all-time low. With 11,500 employees, Ingalls Shipbuilding is the largest manufacturing employer in the state.



warned companies looking to expand or relocate to states that suffer from unfunded public pensions while describing California's situation a "disaster." California's unfunded public pensions, Buffett said, will be paid by taxpayers in that state in one way or another. He also said that investing in a plant or business in an unfunded pension state will ultimately mean the business, as well as its workers, will at some point be on the hook to pay for the public pensions.

Want a house or condo near Amazon's HQ2 in Northern Virginia? Forget it!

According to Redfin, a national real estate brokerage, there are exactly seven active listings in the third week of March in zip code 22202. There were 21 available properties there a year ago. This is the area that encompasses Arlington Ridge, Crystal City, Pentagon City and Aurora Hills, Va. It is also the zip code where Amazon's HQ2 is being built. The 22202 housing inventory

plummeted 84 percent since November, when Amazon announced it had selected what they are now branding as National Landing in Arlington County. The lack of listings near Amazon's HQ2 means that sellers are waiting on the company to complete its project before selling at much higher prices.

Mississippi unemployment reaches all-time low

According to the Mississippi Department of Employment Security, at 4.7 percent, the unemployment rate in Mississippi is at an all-time low. In addition, the number of people with jobs has hit a historic high. The 4.7 percent unemployment rate has now been recorded for eight consecutive months. Over 1.16 million Mississippians are working, the second highest number ever recorded in the state.

Alabama job growth sets record

In 2018, Alabama saw re-

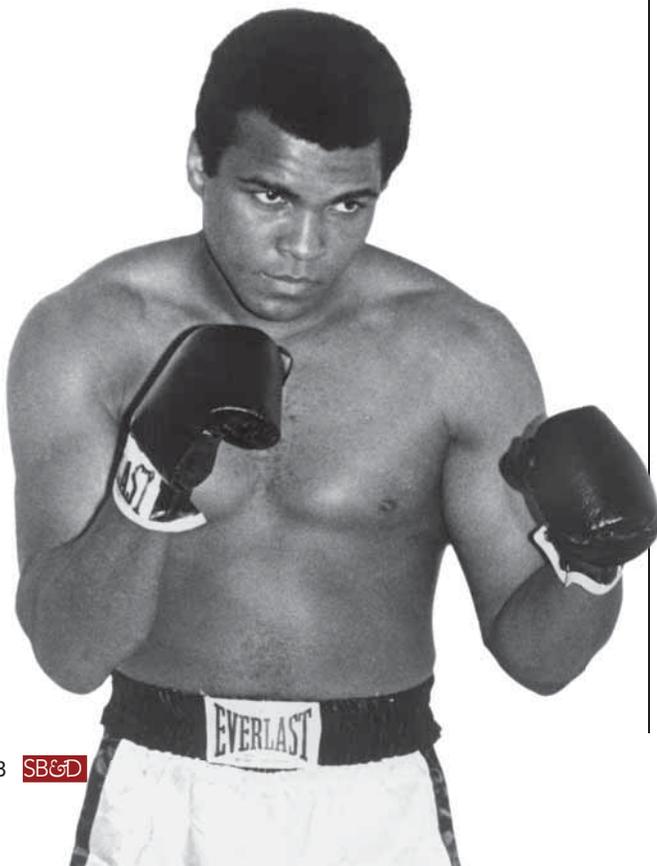
cord job growth, posting a 2.2 percent gain for year-over-year. That percentage outpaced the nation's job growth rate of 1.8 percent in 2018. Economic projections for job growth in 2018 were at 27,000; however, the state saw a net increase of 44,300 jobs. Alabama total employment also set a record in December with 2,072,600 people employed in the state.

Louisville, Ky., airport adopts new name

Louisville's Airport Authority has changed the name of its airport from the Louisville International Airport to the Louisville Muhammad Ali International Airport in honor of the late boxing legend. Ali is Louisville's most famous native son.

Texas maintains No. 1 standing on U-Haul's annual top 50 growth states

Texas is still the No. 1 in-migration state. U-Haul generated migration data from over 2 million one-way truck



Louisville's Airport Authority has changed the name of its airport from the Louisville International Airport to the Louisville Muhammad Ali International Airport in honor of the late boxing legend and one of Kentucky's favorite sons.

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AROUND THE SOUTH



Beautiful Aiken, S.C., continues to rank as one of the best small towns in the South.

rental transactions in 2018 to determine which states are considered “growth states,” and then ranks them. Texas saw a 5 percent increase in one way U-Haul truck rentals arriving in the state over 2017. North Texas and the Austin area led the state in one-way truck traffic.

Dallas-Fort Worth, Houston add most construction jobs

In calendar year 2018, Dallas-Fort Worth added 22,000 construction jobs, the most of any market in the country. Houston came in second with 19,400 construction jobs gained according to the Associated General Contractors of America. Dallas also led the entire nation for employment growth in 2018, adding more than 116,000 jobs.

The rush to Austin by Silicon Valley companies kicks into high gear

In the last two quarters, Apple is investing \$1 billion into new facilities and thousands of jobs in Austin. Google and Facebook are also taking up tons of space in Austin’s newest office towers. KPMG recently conducted a survey that showed that the Silicon Valley may be in danger of losing its title as tech center of the world. Sixty percent of those tech executives that were surveyed said that by

2023, Silicon Valley will lose its grip on the world’s technology innovation center, mostly as a result of the high costs of doing business there.

Texas exports fall 41 percent, import costs spike because of tariffs

Businesses in Texas paid \$364 million in tariffs on imported products in October 2018, according to federal data and Trade Partnership Worldwide. Texas businesses spent only \$25 million in tariffs in April 2018. Meanwhile, Texas exports subject to retaliatory tariffs were down 41 percent in October 2018 compared to October 2017. In addition, exports subject to retaliatory tariffs going through Port Houston were down 47 percent in October 2018, while those not subject to retaliation were up 34 percent.

American whiskey exports take a dive

American whiskey brands, including Kentucky bourbon exports, have dropped since President Trump initiated tariffs on foreign steel and aluminum last year. The European Union, China, Mexico and Canada retaliated with 25 percent tariffs on various American-made products, including whiskey. American whiskey exports rose 28 percent during the first half of 2018, then fell 8

percent compared to 2017 the second half of last year. It should be noted that in the last decade, the Kentucky distilling industry has added more than 10,000 new jobs, opened more than 40 new distilleries and increased economic output by more than \$3 billion.

Arlington County, Va., wins “Best City” award

Arlington, Va., once again has been ranked as the “Best City to Live in America” by Niche. The website named Arlington best city for its outstanding public schools, abundant night life, low crime rate and walkability. Niche also named Arlington as the top city in 2016. The county is where Amazon is placing its HQ2 and hiring at least 25,000 workers in the process.

University of Kentucky researchers finding new use for coal

A research team from the University of Kentucky has begun a pilot-scale processing plant in Webster County, Ky., that will work on mining rare earth elements from coal. The U.S. Department of Energy is also conducting research regarding the feasibility of extracting rare earth elements from coal. Rare earth elements are found in the earth’s crust and are used in manufacturing products

such as smartphones, televisions, computer monitors and electric vehicles. Rare earth elements are found mostly in China.

SpaceX will build its most powerful rocket in Florida and Texas

SpaceX founder Elon Musk said in March that the company will build its Starship and Super Heavy rockets in Boca Chica, Texas and Cape Kennedy, Fla. The 387-foot, two-stage rocket will cost about \$5 billion to develop and the first flight is expected in 2023.

Orlando setting pace for jobs in Florida

From January 2018 to January 2019, greater Orlando led all Florida markets with a gain of 49,900 jobs. South Florida came in second with 30,000 new jobs and Tampa Bay placed third with 19,300 jobs year-over-year.

Aiken, S.C., named to top 10 in magazine’s best small towns in the South

Southern Living magazine’s new annual ranking of best small towns has been released. Named best small town in the South last year, Aiken saw its ranking drop to No. 4. The winner of this year’s “Best Small Town in the South” was Beaufort, N.C., followed by Beaufort, S.C., and St. Augustine, Fla. 🍷



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ROAD



1

1: Southern Business & Development hosted its sixth annual Southern Economic Development Roundtable event at WaterColor in January. The invitation-only discussion included 65 people from 13 Southern states. **2:** John Bradley leading a group of energy execs. **3:** Becca Hardin, briefing members on Hurricane Michael. **4:** Victor Hoskins, Stephen Moret and Jason El Koubi during a Q&A about landing Amazon in Virginia. **5:** Part of the S.C.-based group: Deepal Eliatamby, Hal Johnson, Chuck Whipple, George Kosinski, Jay Schwedler, Will Williams, Jim Newsome and Will Johnson. **6:** Alabama-based Taylor Williams, Ellen McNair, Ed Castile and Randall George. **7:** Chuck Whipple and



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Bob Leak on a balcony overlooking the Gulf of Mexico. **8:** SB&D owner Michael Randle, James McClain, Jason El Koubi, Allyson Rothrock, Shelly Jacobs and Mark Heath. **9:** Gray Swoope, Chris Masingill, Michael Olivier, Jay Moon, Ted Abernathy and Don Pierson. **10:** Will Williams. **11:** Host Michael Randle. **12:** Every year Kentucky attendees bring bourbon for the Friday bourbon break. This year it was Jody Lassiter's turn. **13:** SEDR 2019@WaterColor saw a packed house, including Taylor Williams, Marvin Moss, Jason El Koubi, Chris Masingill, Don Pierson, Jay Moon, Michael Olivier, Shelly Jacobs and Stacy Randle. **14:** Bob Leak, Jr. at the t-shirt grab. **15:** Michael Randle, Shelly "The Elf" Jacobs and Nancy Windham. **16:** Tyler Engle, Will Johnson, Ellen McNair, Jay Schwedler and George Kosinski. **17:** Matthew Randle, Victor Hoskins and Stephen Moret at Red Bar in Grayton Beach one week before it burned down. **18:** Mac Holladay. **19:** Jay and MaryAnn Moon. **20:** David Hudgins, Dr. Glen Fenter and Mark Herbison.

CONTINUED



SNAPSHOTS

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21: John Bradley, Mike Cobb and Taylor Williams. **22:** Deepal Eliatamby, John Bradley and Gena Lentz. **23:** Ted Abernathy, Jeff McKay and Chris Masingill. **24:** Peggy McLean and Raul Peralta. **25:** Hal Johnson and Jim Newsome. **26:** Iain Vasey. **27:** David Thornell. **28:** Clif Chitwood, Chris Masingill, Sam Powers, Chuck Whipple, Bob Leak Jr., George Kosinski, Rhonda Clayton, Jay Schwedler, Will Williams and Gene Stinson. **29:** Michael Olivier. **30:** Kyle Touchstone, Mike Cobb and Jody Lassiter.



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31: Sam Powers. **32:** Henry Florsheim. **33:** Ellen McNair and Randall George. **34:** Clark Gillespy and Stuart Heishman. **35:** Bob Leak Jr., Mark Heath, Allyson Rothrock, James McClain and Mac Holladay. **36:** The Energy panel, including John Bradley, Mike Cobb, Taylor Williams, Heidi Smith, Clark Gillespy, Stuart Heishman and David Hudgins. **37:** Hal Johnson and Kyle Touchstone. **38:** Shane Homan, Kyle Spurgeon, Gena Lentz, Henry Florsheim, Iain Vasey, Hal Johnson and Jim Newsome. **39:** Scott and Yolanda McLain, David Hudgins and Rhonda Clayton. **40:** Kathy and Jim Newsome. 🍷



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RELOCATIONS & EXPANSIONS

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ALABAMA

FBI may invest \$1 billion in Huntsville

Sen. Richard Shelby (R-AL), chair of the Senate Appropriations Committee, recently announced that the FBI may invest as much as \$1 billion as it increases its presence in Huntsville. He also said that the continuing resolution budget includes \$385 million for the FBI, which is part of the transference of FBI employees to Huntsville's Redstone Arsenal. In November, the agency said it plans to move 1,350 jobs to the facility.

Airbus breaks ground on new line in Mobile

Jetliner manufacturer Airbus broke ground on a new \$300 million manufacturing facility in Mobile in January. The new assembly line will produce the A220-100 and A220-300 aircraft for U.S. customers. Currently, Airbus

makes the A320 family aircraft in Mobile. The expansion will create 400 new jobs.

U.S. Steel restarting Alabama mill to take advantage of higher steel prices

Pittsburgh-based U.S. Steel's plans to invest \$215 million to install an advanced electric arc furnace (EAF) at Fairfield Works is expected to provide a boost to Alabama's steel-making industry in its historic home. U.S. Steel had initiated construction of the EAF at its operations in Fairfield in March 2015, but suspended construction in December 2015 due to unfavorable market conditions. The project's revival means the addition of 150 jobs at the Jefferson County facility.

Alabama Farm Center could bring 400 jobs to Chilton County, Ala.

The Alabama Farmers Ag-

riculture Foundation is prepared to invest an estimated \$100 million in a new Alabama Farm Center in Chilton County that could create up to 400 jobs. Plans call for a complex on 500 acres to include a 5,000-seat air-conditioned arena, a 150,000-square-foot exhibition building, 400-stall horse barn, 400 RV hookups and a variety of other barns and arenas.

New jobs coming to Winston County

Winston Homebuilders, a manufactured home producer, will be taking up residence at the former Southern Energy Homes facility in Double Springs, which left the area a few years ago. Winston Homebuilders will be hiring 150 workers in the deal.

Sykes Enterprises to add more than 200 jobs in Fort Smith

Tampa-based Sykes Enterprises, a service provider for many Fortune 500 companies, is expanding its customer service center in Fort Smith, Ark. The company will add 200 jobs.

Southland Gaming & Racing in West Memphis, Ark., plans \$250 million expansion

Southland Gaming & Racing in West Memphis will undergo a \$250 million expansion. The project will include a 96,000-square-foot casino complex and a 20-story high-rise hotel. Southland began as a dog racing track in the 1950s.

FLORIDA

Cape Canaveral has captured a new tenant.

Los Angeles-based Relatively Space, a 3-D rocket manufacturer and launch services provider, has signed a lease to build and operate its own facilities at Launch Complex at Cape Canaveral. The company is the fourth with orbital launch site capability at Cape Canaveral. . .SpaceX,

ARKANSAS

CoorsTek expanding in Arkansas

CoorsTek Inc., a manufacturer of ceramic components, is adding 50,000 square feet to its facility in Benton, Ark. It's part of a \$26 million expansion that will increase employment by 60 workers. More than 200 people are housed at the plant now.

GE Aviation investing \$50 million in Auburn, Ala.

GE Aviation is expanding its additive manufacturing operation in Auburn. The project calls for a \$50 million investment and 60 jobs.





Texas-based Firefly to launch \$52 million expansion at Cape Canaveral, Fla.

The Cedar Park, Texas-based rocket company, Firefly Aerospace, will establish a new launch and manufacturing project in Cape Canaveral, Fla. Under the deal, Firefly will invest \$52 million and add 200 high-paying jobs there.

ULA and Blue Origin are the other three.

Beacon Pharmaceutical relocates to Jupiter, Fla.

Beacon Pharmaceutical, a focused early-stage life sciences firm, will build a state-of-the-art facility in Jupiter. The new 200,000-square-foot headquarters will house 137 new jobs with a capital investment of approximately \$80 million.

Insurance giant Progressive to hire 1,500 in Tampa

Ohio-based company Progressive is hiring 1,500 workers in Tampa. The jobs will be in customer service, sales and claims with an emphasis on workers who are bilingual in English and Spanish.

WellCare to hire 1,000

WellCare Health Plans of Florida, one of the Tampa Bay area's largest companies, anticipates hiring more than

1,000 new employees to support membership growth that's surpassed 1 million clients. The company will hire throughout the state, but about half of the positions are available in the Tampa Bay area.

GEORGIA

Health IT company establishing headquarters in Atlanta metro

BioIQ, a health IT company that provides health testing and immunization programs for health plans, is relocating its headquarters from California to Cobb County, Ga. The \$5 million project will create 500 jobs.

Animal pharma investing \$120 million in three Georgia counties

Boehringer Ingelheim Animal Health USA will create 225 jobs and invest more than \$120 million in Gwinnett,

Clarke and Hall counties. The company has located its North American headquarters in Duluth, creating 75 new jobs; is adding more than 100 new jobs at its manufacturing and R&D facility in Athens, and more than 50 jobs at the company's Gainesville manufacturing facility.

Chinese tech company moving HQ from New Jersey to Alpharetta, Ga.

A China-based manufacturer of radio-frequency identification and biometric technology security products, ZKTeco, plans to relocate and expand its U.S. headquarters from New Jersey to Alpharetta. The move is expected to create 40 jobs and bring more than \$5 million in investment.

KENTUCKY

Kentucky company reshoring jobs from Asia

In the winter quarter, Clark

Material Handling announced it was expanding its Lexington, Ky., headquarters and reshoring one of its forklift production lines (the "S-Series") to Kentucky from Asia. The \$4.6 million expansion will create 40 new jobs.

High-tech aerospace manufacturer to open new Kentucky facility

Meyer Tool, a supplier of aerospace parts, is opening a new \$15.9 million facility near Erlanger, Ky. The company is acquiring and renovating an 83,000-square-foot property that will house 100 workers.

Commercial furniture maker expanding in Kentucky

Headquartered in Indiana, OFS Brands Holding, a manufacturer of furniture for offices, hospitals, hotels and schools, will invest \$1 mil-

Shaw expanding plant in Adairsville, Ga.

Three years after opening a huge plant in Adairsville, Shaw Industries, the largest employer in Bartow County, is adding a 500,000-square-foot addition to the plant, which could double the employment numbers there to more than 600 over the next three years.



RELOCATIONS & EXPANSIONS



ExxonMobil to invest \$469 million in Louisiana

ExxonMobil will add a \$469 million polypropylene manufacturing unit to its Baton Rouge petrochemical complex. The project will create 65 new jobs and 600 construction jobs.

lion in its existing operation in Grayson County, Ky., with plans to create 105 jobs.

Film manufacturer to expand in Kentucky, add 30 jobs

RKW North America plans to expand its facility in Simpson County and add 30 jobs. The German-owned manufacturer of industrial film will invest \$18 million in the project.

Renewable energy project to put some former coal miners to work in Eastern Kentucky

Toyota, which has a large assembly plant in Georgetown, Ky., is partnering to build a 700-acre solar panel farm in Pike County, Ky. It is one of the largest renewable energy projects in the Appalachian region. The project will create 200 construction jobs and 50 permanent jobs.

LOUISIANA

Lafayette lands helicopter plant

In the winter quarter, Switzerland-based Kopter Group AG announced that it will assemble its new SH09 helicopter in Lafayette, La. The company, which will lease a building at the Lafayette Regional Airport, will invest \$4.2 million and create 120 jobs with the project. Deliveries of the helicopters should begin in 2021.

Epic Piping announces \$40 million expansion

Epic Piping has announced plans to invest up to \$40 million to expand its facilities in Baton Rouge, La. A demand for the company's pipe spool products is being driven by the number of large-scale projects underway in the petrochemical sector along the Gulf Coast. Epic's employee count, currently at 900, is

expected to increase to more than 2,000.

Louisiana lands \$2.2 billion methanol complex

South Louisiana Methanol announced in January it will build a \$2.2 billion methanol complex in St. James Parish. The complex will be built on a 1,500-acre site on the Mississippi River.

Food manufacturer adding capacity in St. Tammany Parish

Diversified Foods and Seasonings is investing \$12 million to expand and upgrade its plant in Madisonville, La. The project is the result of moving a production line from Nebraska to Louisiana. The deal will create 44 jobs.

Pipe manufacturer adding jobs in Baton Rouge

Stupp Corp., a steel pipe manufacturer, is upgrading its two plants in Baton Rouge. The

company, which has operated in Baton Rouge since 1952, will invest \$22 million and add 128 jobs in the project.

Energy services manufacturer adding jobs in Louisiana

Bagwell Energy Services is investing \$2.5 million at its Port of Delcambre fabrication facility in Iberia Parish, La. The company will create 150 new jobs.

MISSISSIPPI

Kohler Engines expanding in Mississippi

Kohler Engines, a leading manufacturer of industrial gasoline and diesel engines, is expanding its manufacturing operations in Hattiesburg, Miss. The company is making a significant investment and is adding 250 jobs. Kohler is consolidating a plant in Wisconsin to Hattiesburg.



Charlotte-based Nucor plans to invest \$1.3 billion in Kentucky plant, creating 400 jobs

Charlotte-based steel manufacturer Nucor Corp. will invest \$1.3 billion in a new facility in Brandenburg, Ky. The mill will produce steel plates for manufacturers of barges, bridges, rail cars, refinery tanks, ships and other products. The new facility will house 400 workers that will earn an average of \$45 per hour including benefits. Pictured are (l to r) Nucor CEO John Ferriola and Kentucky Gov. Matt Bevin at the announcement.



ABB expanding in Mississippi

Swiss company ABB is adding 200,000 square feet to its manufacturing facilities in Senatobia, Miss., to increase production of Tmax XT circuit breakers. The \$36 million expansion will generate 50 new jobs. The company is also filling the remaining 150 jobs of another expansion announced in 2016.

Illinois medical equipment maker expanding in Mississippi

Baxter International is expanding a Mississippi Delta plant, with plans to add 50 to 100 new employees. The company has begun construction on the addition to the plant, which is one of the largest industrial employers in Cleveland, Miss. Baxter is investing \$100 million.

Scotland-based company expanding Mississippi foundry

The Weir Group is expanding its Newton, Miss., foundry

that manufactures ground engaging equipment for the mining industry. The \$15 million deal will create 150 high skill jobs.

Homestretch expanding in Mississippi

HomeStretch, an upholstered furniture manufacturer, will invest \$500,000 and create 71 jobs in an expansion of its facility in Nettleton, Miss.

Entergy adding jobs in Mississippi nuclear operations

The power company Entergy is adding jobs at its nuclear power division headquarters in Jackson, Miss., and also at its nuclear power plant in Grand Gulf, Miss. New Orleans-based Entergy is adding 250 jobs in Jackson and 70 at its nuclear plant in Grand Gulf.

Bedding manufacturer expanding in Northeast Mississippi

Specialty foam manufacturer Elite Comfort Solutions is increasing capacity at its

Four hundred jobs coming to Mississippi county

Corelle Brands, a maker of housewares brands including Pyrex, Snapware and Corelle, announced in the winter quarter it is moving part of its manufacturing and distribution operations to Marshall County, Miss. The facilities will be located in the Chickasaw Trails Industrial Park near Byhalia. The \$27 million project will create 400 jobs.

plant in Verona, Miss. The bedding manufacturer is investing \$1.9 million and adding 65 jobs.

Pharmaceutical plant adding jobs in Mississippi

A maker of antacids sold in Mississippi and Alabama will expand its facility in Gulfport, Miss. Geri-Care Pharmaceuticals, which supplies Walmart, Walgreens and CVS, will add 200 jobs in the deal.

MISSOURI

Purina to spend \$115 million on Missouri expansion

Nestlé Purina PetCare announced the expansion of its southeast Missouri factory where Tidy Cats brand cat litter is made. The pet products company will spend \$115 million on the project and expects to add about 30 jobs.

Manufacturer to open new plant in Missouri

Central States Manufacturing is opening a new plant in St. Peters, Mo. The \$6 million project will create 88 new jobs.

Praxair expands Missouri plant

Praxair will expand its air separation plant in Neosho, Mo. The expansion will double capacity for the company's liquid oxygen and nitrogen customers.

NORTH CAROLINA

Novartis-owned firm chooses Durham over Illinois or Ireland

AveXis, a gene therapy company developing treatments for rare neurological diseases, will invest \$60 million to expand its manufacturing center in Durham County. The company plans to hire 200 associates.

Thermo Fisher Scientific investing \$150 million

Thermo Fisher Scientific is investing \$150 million in its pharma business in Greenville, N.C. The expansion will add capacity for the company's sterile liquid products.

North Carolina Global Transpark growing again

Jetstream Aviation is setting up a new paint facility at the Global Transpark in Kinston, N.C., and will add 145 jobs. The \$10.5 million public/private partnership will break ground this spring.

Aetna's expansion to create 300 new jobs

Aetna, a subsidiary of CVS Health since November, expects to hire 300 new employees by the end of 2020 for customer service and clinical care jobs. The company will spend \$2.5 million on a 16,000-square-foot expansion of its High Point facility to support the new jobs.

CONTINUED

RELOCATIONS & EXPANSIONS

Icee leaving California for Middle Tennessee

The iconic frozen beverage maker, The Icee Co., is relocating its corporate headquarters from California to La Vergne, Tenn., about 20 miles southeast of Nashville. The company revealed it would invest \$10.3 million to make the move, creating more than 200 jobs in Rutherford County over the next five years.



The company will invest \$2.1 million and create 85 jobs in the project.

TENNESSEE

SmileDirectClub to add 2,000 jobs in Nashville region

Orthodontic services provider SmileDirectClub will expand in the Nashville area with 2,000 new jobs. The company will invest \$217 million in the expansion.

Silicon Valley recruiting firm moves HQ to Nashville

After a year of fast growth in Nashville, recruiting firm IQTalent Partners is doubling the size of its footprint and officially naming Music City as its headquarters, which means moving its central operations from Silicon Valley to Nashville. The company grew its Nashville office from 90 to 150 employees in 2018, and plans to hire additional workers this year, although the exact number has not been announced.

Cancer research firm hiring 200 in North Carolina

A clinical-stage biopharmaceutical company plans to hire 200 workers as it locates a commercial-scale immunotherapies plant in Wake County, N.C. Collectis will develop gene-edited immunotherapies to fight cancer.

Furniture startup to bring 200 jobs to Hickory, N.C.

Design Foundry, a new upholstered furniture company, announced it will begin manufacturing in a former furniture plant in Hickory. The project will create 200 jobs.

OKLAHOMA

Kimberly-Clark is investing \$120 million in Oklahoma mill

Irving, Texas-based Kimberly-Clark Corp. is investing \$120 million in its Jenks, Okla., mill that produces Cottonelle and Scott bath tissue. The company will add 270,000 square feet to begin production on Kleenex folded tissue products. The project will create 50 jobs.

MST Manufacturing locating in Claremore

MST Manufacturing will invest at least \$5 million to relocate its operations to Claremore. The company will transform three buildings totaling 52,000 square feet to house 100 CNC (com-

puter numerical control) machining specialists who make aircraft parts for clients such as Spirit AeroSystems, Boeing, Gulfstream, Lockheed Martin and Triumph Aerostructures.

Tube manufacturer to locate plant, headquarters in Oklahoma

Salem Tube, a subsidiary of Spain-based Tubacex Group, is establishing its headquarters and manufacturing facility in Durant, Okla. The company makes stainless steel and nickel alloy tubes. The \$40 million project will create 140 jobs.

ABB creating jobs in Oklahoma

In the winter quarter, ABB announced it will consolidate all of its North American process gas chromatograph analyzer manufacturing to its facility in Bartlesville, Okla. The project will add 90 jobs.

SOUTH CAROLINA

Swiss company continues to invest in South Carolina

Swiss Krono Group continues to invest in rural Barnwell, S.C. The company is adding 250,000 square feet to its existing manufacturing facility there, which will allow them to produce the board it currently purchases to manufacture laminate flooring. Swiss Krono will source wood products locally, which will also bolster the local timber

industry. The expansion is expected to create 105 new permanent jobs and 500 construction jobs.

Ortec expands South Carolina plant

Ortec, a biomaterial and polymer technology company, will invest \$20 million to expand its facilities by 50,000 square feet and increase its production capacity in Pendleton, S.C. The company also invested \$20 million and added 60 jobs in 2016.

Sealed Air to spend \$24 million to upgrade its facility in Simpsonville, S.C.

Sealed Air has entered into a joint venture with Japanese firm Kuraray to produce plant-based food packaging. Sealed Air will invest \$24 million to upgrade its Simpsonville facility and will use Kuraray's plant-based resin and post-consumer plastic.

Frontier Communications opens call center in Myrtle Beach

Frontier Communications, a provider of broadband, video, photo and data services, will open a new call center in Myrtle Beach, S.C. The deal calls for 70 jobs.

InvestiNet to invest \$2.1 million and create 85 Jobs in Greenville, S.C.

Accounts receivable firm InvestiNet is expanding its facilities in downtown Greenville.

FreightWaves bringing new jobs to Chattanooga

FreightWaves expects to bring 300 jobs to Chattanooga in the next two years with the launch of its trucking freight futures program. The new program will allow trucking and logistics companies to trade freight moving costs, helping alleviate some risk.

Logistics company adding 500 jobs in Chattanooga

Arrive Logistics is expanding its facilities in Chattanooga, Tenn. The company will invest \$3.6 million and add 500 jobs in the deal.

FedEx Logistics announces headquarters move in Memphis

FedEx Logistics will move its global headquarters to the former Gibson Guitar factory building in downtown Memphis. The Memphis company says it's making a \$48 million investment, and will consolidate multiple locations, bringing almost 700 employees to the location over the next several years. As a result of the FedEx Logistics announcement, a New York developer and the Orgel family of Memphis

are developing an eight-story office building and 250-room hotel across from the Gibson Guitar Factory building.

BAE Systems redesigns Kingsport, Tenn., facility

BAE Systems received a \$74.7 million U.S. Army contract to design, construct and commission a new facility that will improve production at its manufacturing complex in Kingsport. Construction of the new facility at the Holston Army Ammunition Plant will play a vital part in the manufacturing process of several products that support the military, and is one of several multi-year Army-driven modernization requirements for the installation.

JNJ Express relocates to expanded campus in Memphis

Transportation company JNJ Express will invest \$83.6 million to expand its operations, creating 610 new jobs over the next five years. The company will establish a new corporate headquarters and operations campus at a Southeast Memphis shopping center that has been vacant for more than a decade. The area surrounding it has a 23.6 percent unem-

ployment rate, according to the company's application for government incentives.

TEXAS

Exxon, Qatar to expand LNG export in Texas

Exxon and Qatar Petroleum announced recently that they will go ahead with a \$10 billion project to export liquefied natural gas from a plant on the Texas Gulf Coast. The companies said construction at the Golden Pass plant in Sabine Pass, Texas, would start before April, and the export operation is expected to begin running in 2024. The project will create 9,000 jobs during the five years of construction and more than 200 permanent jobs once the facility is operational.

Asurion adding 430 jobs in Houston

Nashville-based tech care company Asurion plans to double its number of Houston employees and is moving into a bigger office to house them. The company will create 430 new jobs by the end of the year.

BNSF to invest \$405 million in Texas

Fort Worth-based BNSF Railway, which is part of Warren Buffett's Berkshire Hathaway, will invest \$405 million in Texas this year to fund expansion and take care of regular maintenance. BNSF has nearly 5,000 miles of track to maintain just in its home state of Texas.

Hundreds of high-wage bio-science jobs for San Antonio

GenCure, a new company that focuses on cell-based therapies and regenerative medicine, is setting up its headquarters in a historic building that used to house an ice and cold storage business on the East Side. The building on East Houston Street has been renamed Velocity Texas, and is part of a planned innovation district that's expected to create more than 600 good-paying tech jobs.

\$120 million manufacturing plant serves up 500 new jobs in San Antonio

Cuisine Solutions is cooking up 500 jobs in San Antonio with the opening of a \$120 million plant that will make refrigerated food. Construction has begun on the 290,000-square-foot manufacturing plant, and is expected to open in mid-2020.

Cognizant expands to Plano, Texas, with 500 jobs

A New Jersey-based IT services firm that already has a large operation in Irving is adding more workers in Plano. Plano's economic development corporation has agreed to provide a \$273,000 grant to Cognizant, which must create up to 500 jobs in a new office to be constructed near Legacy business park.

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Fujifilm to expand biotech facility in North Carolina's Research Triangle

Fujifilm Diosynth Biotechnologies is expanding its manufacturing operations in Research Triangle Park. The company is investing about \$45 million and adding 100 jobs to add capacity at its single use cell culture manufacturing trains.



RELOCATIONS & EXPANSIONS



Stanley Black & Decker opens distribution hub in Denton, Texas

A massive shipping hub for tool manufacturer Stanley Black & Decker is bringing jobs to Fort Worth. The new 1.2-million-square-foot regional distribution center will employ more than 300 workers.

Progressive to hire 1,000 in Austin

Ohio-based insurance company Progressive is hiring 1,000 workers in Austin. The jobs will be in customer service, sales and claims with an emphasis on hiring bilingual workers.

Financial services firm expands in San Antonio

Accenture Federal Services plans to expand its San Antonio operations and add 500 new jobs. The company plans to invest \$5 million as part of the expansion plan.

Credit union to create nearly 600 jobs in San Antonio

Pentagon Federal Credit Union has announced it will open a new \$48 million regional financial center in San

Antonio. The project will create 571 new jobs.

VIRGINIA

Call center hiring 600 in Virginia

The Results Cos. is adding 600 jobs and leasing additional space at its call center operation in Chesterfield County, Va. The company currently employs about 500 workers. The project represents an investment of \$1.5 million.

Hundreds of jobs coming to Danville, Va.

A Virginia company plans to bring a large, vacant Danville property back to life. Norfolk-based PRA Group is investing \$15.1 million and bringing 500 jobs to Danville's Airside Industrial Park. PRA is a debt recovery company

founded in Virginia Beach.

Electric products manufacturer expands in Virginia

M.C. Dean, an electrical design manufacturer, is investing \$25 million at its plant in Caroline County, Va. The deal will create 100 new jobs.

European manufacturer picks Virginia

ERNI Electronics, a Europe-based manufacturer of electrical connectors, is planning to build a new office and plant in Chesterfield County, Va. The company plans to invest \$25 million and hire 105 workers.

Cloverleaf Cold Storage investing \$21 million in Virginia expansion

Cloverleaf Cold Storage will invest \$21 million to add over 100,000 square feet to its facility in Chesapeake, Va. The expansion of the cold storage warehousing and food logistics company will create 33 new jobs.

Packaging company to invest \$20 million in Botetourt County, Va.

Pratt Industries, a recycled paper and packaging

manufacturer, will locate in Botetourt County's shell building in the Greenfield industrial park. The company plans to invest a minimum of \$20.1 million and will create 50 new jobs. The facility will be Pratt's second manufacturing operation in Virginia.

WEST VIRGINIA

Global tech company to open in Charleston, W.Va.

Technology company Infor will open its first West Virginia office in Charleston and create 100 new technology jobs. Infor develops business cloud software, specialized by specific industries. Its products are used in sectors that range from aerospace to manufacturing to professional services.

Buzz Foods adding jobs in Charleston, W.Va.

Charleston-based Buzz Foods will expand its facilities by adding a livestock slaughtering and processing facility. The expansion will increase access for locally raised agriculture products. The new facility will create 30 full-time jobs. ★

Clorox is opening cat litter plant in Virginia

The Clorox Company, a Fortune 500 consumer packaged goods company, plans to establish a new manufacturing operation for its cat litter business in Frederick County, Va. The project will create 100 jobs.



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automotive industry in the South, go to SouthernAutoCorridor.com.

Exports of U.S.-made German vehicles drops significantly

There are four German automotive plants in the U.S., and they are all located in the South. Mercedes-Benz operates plants in Alabama and South Carolina, BMW's largest plant worldwide is in South Carolina, and Volkswagen operates a large plant in Tennessee. The German automakers count on exports to China and Europe. Last year, German automakers produced 750,000 vehicles in the Southern Auto Corridor, of which 56 percent were exported to Europe and China. However, as a result of tariffs, exports to China fell by 37 percent in 2018, dropping from 150,000 vehicles to 95,000.

Moody's cuts automotive industry from stable to negative

Credit rating company Moody's has cut its outlook for the automotive industry from stable to negative. Moody's based its outlook on slowing economic growth, potential political issues such as tariffs, and a better-than-expected end to 2018 in vehicle sales. Moody's expects global auto sales to grow by just 0.5 percent this year, down from its previous forecast of 1.2 percent growth.

Toyota to invest \$749 million and add hundreds of jobs in the South

In the winter quarter, Japanese automaker Toyota said it will invest \$749 million in five Southern states and add 600 jobs. The company will increase engine capacity in Alabama, transaxle production in West Virginia, add capacity at its assembly plant in Kentucky, and raise output of aluminum castings in Missouri and Tennessee. Toyota is also building a 4,000-employee plant with Mazda in Huntsville, Ala.

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ALABAMA

Mercedes-Benz to assemble ultra-luxe Maybach SUV at Alabama plant

Mercedes announced in the winter quarter that it will expand its plant in Vance, Ala., to build a luxury SUV under the Maybach brand. At \$200,000, the vehicle will be the most expensive passenger car built in the U.S. The company is also in the early stages of a \$1 billion upgrade to ready the facility to build its first electric vehicles.

Expansion work nearly completed at Montgomery Hyundai plant

Work is well underway for Hyundai's engine head machining plant along with other improvements at Hyundai's massive auto assembly plant in Montgomery. Hyundai is investing \$388 million on the expansion. The engine plant will be able to support 700,000 engines per year for Sonata and Santa Fe models that are built in Montgomery and at the Kia plant in West Point, Ga. The new facility will be operational in May.

Alabama made almost 1.6 million engines in 2018

Mazda and Toyota are building their joint plant in Huntsville, the latest auto-

motive plant to announce a facility in the state. Soon, Mazda and Toyota will join Honda, Hyundai and Mercedes-Benz in making Alabama the only U.S. state to be home to four foreign-owned assembly plants. In addition, Alabama workers built almost 1.6 million engines in calendar year 2018. Toyota's engine plant in Huntsville led the way with 630,000 engines built. Hyundai's plant in Montgomery produced 597,000 engines and Honda's plant in Talladega County produced 356,000 engines.

Korean auto supplier setting up shop in Alabama

A Korean supplier to Hyundai Motor Manufacturing of Alabama plans to open its first U.S. facility in Alabama's Lee County. Yongsan Automotive USA is investing more than \$5.5 million in a manufacturing facility in Opelika. The interior parts manufacturer will create 150 jobs in the deal.

Israeli auto parts supplier expanding in Auburn, Ala.

Arkal Automotive has invested \$2.5 million and is adding 25 jobs to expand its Auburn facility. The company supplies plastic parts to Mercedes-Benz, BMW, Volkswagen and Audi.

GEORGIA

Battery maker breaks ground on \$1.7 billion Georgia plant

SK Innovation, a South Korean maker of batteries for electric vehicles, broke ground on its \$1.7 billion factory in Jackson County, Ga., in March. The company will initially provide batteries for Volkswagen's plant in Chattanooga. The deal will create 2,000 jobs.

Korean brake manufacturer to open new Georgia facility

Sangsin Technology America, a manufacturer of brakes used by Hyundai and Kia, is opening a new plant in McDonough, Ga. The \$20 million project will create 200 jobs.

Kia begins export of new Georgia-built SUV

Georgia Port officials and executives with Kia Motors Manufacturing Georgia (KMMG) celebrated in February the first exports of the new eight-person SUV called the Telluride. The Telluride is a new model being built at Kia's plant in West Point, Ga. The SUVs are being shipped from the Port of Brunswick to ports around the Arabian Peninsula.

KENTUCKY

Toyota will invest \$238 million in its Georgetown plant

Toyota is expanding its Kentucky assembly plant and adding the production of the Lexus 300h Hybrid and the RAV4 Hybrid. Both vehicles feature combined gasoline and electric engine power. The project calls for an investment of \$238 million. The expansion will not add jobs to the 8,000-employee plant.

Ford expanding Louisville Truck Plant

Ford will add capacity of the Ford Expedition and Lincoln Navigator at its truck plant in Louisville, Ky. Ford will move 550 workers from its Louisville SUV plant to the truck plant in the deal.

LOUISIANA

Super ATV to locate in Louisiana

SuperATV will locate a manufacturing and distribution facility in Shreveport, La. The company manufactures aftermarket parts for a variety of all-terrain vehicles. The \$4.35 million deal will create 75 jobs.

NORTH CAROLINA

New North Carolina megasite

Toyota is investing \$238 million in its Kentucky assembly plant and adding the production of the Lexus 300h Hybrid and the RAV4 Hybrid.



planned

A former 3.5 million-square-foot tobacco factory in Concord, N.C., will be demolished to make way for a 2,000-acre megasite. The demolition of the sprawling Phillip Morris operation will take the rest of the year. When completed, the site will be called The Grounds at Concord.

SOUTH CAROLINA

Mercedes-Benz Vans hiring for third shift

Mercedes-Benz Vans has begun hiring for a third shift, with a goal of adding 200 to bring its headcount to 1,300 workers by 2020 to build the new Sprinter vans. The German automaker invested \$500 million in 2015 to expand its existing reassembly site in Ladson to a full-scale manufacturing operation.

Volvo begins exports of model made in South Carolina

Sweden-based and Chinese-owned Volvo has begun exports of its S60 model sedan made near Charleston in Ridgeville, S.C. The automaker expects to build 50,000 S60s at its plant this year with plans to export about half through the Port of Charleston to 93 countries. The South Carolina-made vehicle will not be exported to China amid trade battles between the U.S. and China.

New megasite in the South is ready for occupant

The I-77 International Megasite is now ready for a single occupant in Fairfield County, S.C. The 1,500-acre site is about 20 miles north of Columbia, S.C., and 60 miles south of Charlotte. The site is designed for a

Mercedes-Benz Vans has begun hiring for a third shift at its South Carolina plant, with a goal of adding 200 to bring its headcount to 1,300 workers by 2020 to build the new Sprinter vans.



single user. A labor force of nearly 850,000 people, and more than 20 vocational and technical training facilities are within an hour's drive or less.

Auto supplier to set up shop in South Carolina

Fuyao North America is investing \$16 million in a facility in Fountain Inn, S.C. The company, which makes automotive glass, will hire 70 in the deal.

QM Group expanding in Orangeburg County, S.C.

Quality Model (or QM) is expanding its plastic injection molding operations in Orangeburg, where it makes products for the automotive industry among others. The move will create 37 new jobs and involves a \$9.5 million investment.

PPG invests \$10 million in Greenville, S.C.

PPG will invest \$10 million in a new 82,000-square-foot facility and class A paint line at its coatings services facility in Greenville. The expansion is designed to accommodate increased demand for class A coatings application and value-added services for the automotive and large truck markets.

TENNESSEE

GM unveils new Cadillac SUV being built in Tennessee

General Motors, which recently announced the closure of five North American factories, unveiled the 2020 Cadillac XTC, which will be assembled at its plant in Spring Hill, Tenn. GM invested \$300 million in its Tennessee facility to create a line for the XTC, and has invested more than \$2 billion in the plant since 2010. The Spring Hill facility is GM's largest, encompassing 7.1 million square feet.

New report shows Volkswagen supports thousands of jobs in Tennessee

A report by Ernst & Young showed that Volkswagen's plant in Chattanooga supports 16,400 jobs in Tennessee. The report also showed that \$73.8 million in state and local taxes were generated by the VW plant and its suppliers in the state in 2017.

Volkswagen to assemble electric vehicles at its Tennessee plant

German automaker Volkswagen has chosen its Chattanooga plant for the company's first electric vehicle facility in North America. VW will invest \$800 million to retrofit the plant for electric vehicle

production. The first EVs are expected to roll out of the plant in 2022. About 1,000 jobs are being generated in the expansion.

Nokian to begin hiring at Tennessee tire plant

Finnish tire maker Nokian, which is on target to complete construction of its \$360 million plant later this year in Dayton, Tenn., said it plans to hire up to 50 production employees during the first quarter of 2019.

Arconic investing \$110 million at its Tennessee facilities

Arconic is investing \$100 million to expand its facility in Alcoa, Tenn., in a project that will bring 70 new jobs to the area. Arconic plans to get out of the aluminum can sheet business and ramp up industrial and automotive aluminum products.

Auto supplier announces \$11.4 million Middle Tennessee investment

Togo North America will invest \$11.4 million to establish a production facility in Robertson County, where it plans to create 58 jobs over the next five years. The Japan-based company makes automotive parts ranging from hose clamps to various springs. ⚡



BY MICHAEL RANDLE

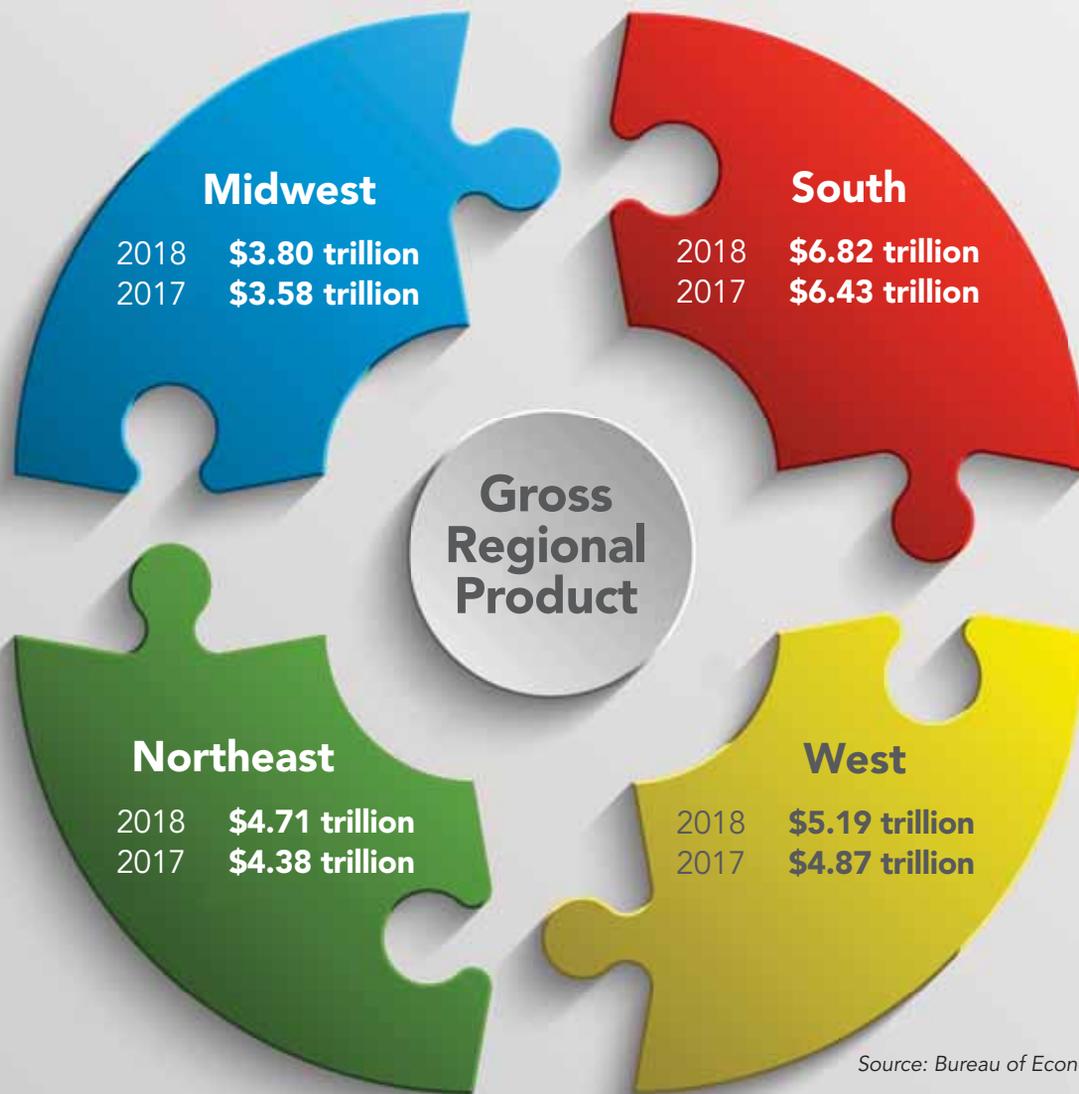
Three Not-So-Easy Pieces

Three monumental factors are holding back a good economy.

The winter quarter is the best of time of the year for any data hound journalist. Economic indicators and opinions from the previous calendar year begin to show up at various media properties, think tanks, the two most important government bureaus that measure the economy and, of course, from the vast number of economists out there releasing their year-end assessments.

CONTINUED





Source: Bureau of Economic Analysis

The South is leading the way among other regions in “gross regional product,” or GDP tallied in states making up the four U.S. regions — South, West, Northeast and Midwest.

The GDP growth in the U.S. economy in 2018 was at 2.9 percent. With that growth rate of 2.9 percent, gross domestic product in 2018 matched 2015 and blew away 2016 (1.6 percent), two years that saw record inflows of foreign direct investment (FDI) into the United States. In 2015, foreign companies poured \$466 billion into the U.S., and 2016 saw FDI of \$457 billion, the two best years in U.S. history.

Forty-seven of the 50 states also saw their economies expand in calendar year 2018. In fact, the Bureau of Economic Analysis estimated that in 2018, total U.S. GDP rose above \$20 trillion for the first time. The South is leading the way, even pulling away from other regions in what we call “gross regional product,” or GDP tallied in states mak-

ing up the four U.S. regions — South, West, Northeast and Midwest.

As you can see in the graphic above, GDP in each U.S. region rose in 2018. Furthermore, the 15-state American South is out-pacing the other regions, leading them by a wider margin in gross product than just five years ago. According to the International Monetary Fund, as of the end of 2018, the South’s economy based on GDP is now more than half the size of China’s and remains the third largest economy in the world.

The graphic on page 40 shows the four U.S. regional economies and how they compare to the economies of other countries based on GDP in 2018. These are the 10 largest economies in the world. The South is indeed pulling away from the other U.S. regions.

CONTINUED

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Source: International Monetary Fund

Yes, the economy remains in decent shape and the job market is the best it has been in decades, sans February when only 20,000 jobs were created. Still, as of March (196,000 jobs), the U.S. has seen 102 consecutive months of job growth. Unemployment has reached its lowest level in 49 years. Workers are scarce, meaning just about everyone who had trouble finding a job in previous years is working, and that includes low-skill and high-skill jobs.

I am unsure whether the paltry 20,000 jobs created in February in the U.S. was the result of the economy slowing or because of demographics, in that there is

no one left to fill a job.

Today's job market reminds me of a remark made by Fred Harris, the former (now retired) SVP of Economic Development of the Nashville Chamber of Commerce, in 1999, at the tail end of the longest economic recovery on record. Fred said, "Michael, I've never seen anything like it in the decades of working at the chamber. We have people here in Nashville who are working that don't even want to work."

If this economy remains a 10-year spectacle, what's keeping it from growing at 4 percent?

While the U.S. economy still has legs in this 10-year recovery period with a growth rate of about 3 percent, 2018 should have seen a GDP growth rate of at least 4 percent, possibly higher. There are three primary issues holding back economic growth in the U.S. and in the South — demography, a significant drop in foreign direct investment and trade wars.

The first issue holding back the economy and keeping GDP growth at under 3 percent is that we seemingly have over 7 million job openings every month and no more than 300,000 people taking those jobs per month. But in reality, the



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CLEDA
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FOR MORE INFORMATION, CONTACT:

Central Louisiana Economic Development Alliance

Larkin Simpson
Vice President Major Employers
900 4th St., Suite 300
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Low birth rates are the greatest threat to our economy and our society at large.

Some economists based in other countries have predicted that if they cannot replace current workers, they are living in a “dying nation.”

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average monthly job gains are right at 180,000 per month over the last year, so no more than 2.2 million jobs were gained last year.

The February jobs report shocked just about everyone, including many economists, with only 20,000 jobs gained in the U.S. But, given the long-term demographics, those 20,000 jobs are not surprising. The Federal Reserve has stated for three years that the economy will continue to grow at 50,000 jobs created per month. Get used to those numbers and say goodbye to 300,000 jobs created in consecutive months. Sure, there might be an outlier when 300,000 jobs are created, but that will be rare for years to come.

In today’s economy, we have over 7 million jobs that can’t be filled in any given year, and that has been the case for three or four years now. This labor squeeze is without question holding back growth in this country. Imagine the effect on the economy if those 7.5 million jobs that are available now were filled in one year, instead of rolling over each year? If that materialized, the U.S. in that year would have at least a 4 percent, possibly 5 percent growth in its economy by my estimations. The question you might be asking now is, “Why can’t those 7.5 million jobs that seem to be eternally available be filled?”

Some will point out that, on paper, there are about 6 million unemployed people in the U.S., with about 7.5 million jobs available. Let me tell you with great confidence, those figures are way beyond full employment, even more so than the late 1990s, the last time we experienced full employment.

If you maintain the simple fact that there are 6 million available workers in the U.S. to fill 7.5 million available jobs, then you have a narrow view of the situation. An unemployed person is anyone age 16 to 64 that is not working, according to the feds. How many of those are students, disabled, family caretakers, retirees, mentally ill or drug addicted? It is estimated that about 5 million of those 6 million people have a reason

not to work as a result of my calculations based on tons of data processed. So, essentially, the U.S. currently has about 1 million (or less) unemployed, hireable people to fill those 7 million jobs.

The reasons why we can't fill the jobs that are available are not complicated, yet, they are not well known. I have written about the factors ad nauseam for more than four years. But since we have new readers each issue, it's probably best to repeat the demographic ingredients holding back economic advancement, not only in this presidential cycle, but in all cycles that go back to Clinton and yes, even Reagan.

For one, we are in a baby bust. The U.S. population hasn't grown above 1 percent since 2002. In short, this generation of people from about age 21 to 41 is just not having children at the same rates we have seen historically. In fact, last year the U.S. saw its lowest fertility rate since the Great Depression at 60 births per 1,000 women of child-bearing age of 15 to 44.

For decades after World War II, the U.S. could count on an average of 200,000 people turning working age (16) each month. The current 17-year baby bust has brought that figure down to an average of 70,000 people turning working age each month in the last four years. That is expected to drop to 50,000 people turning working age per month by 2028 according to the Census Bureau. This is a systemic problem. In fact, low birth rates are the greatest threat to our economy and our society at large. Some economists based in other countries have predicted that if they cannot replace current workers, they are living in a "dying nation."

The biggest challenge this country is facing now, and for many years or decades to come, is that too few people are being born and too many people are aging out of the workforce. In other words, we cannot replace those aging out of the workforce. We're not even close to being able to fill the number of jobs currently available.

So, as a society, what does this mean? It

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Japan, like many others countries, is getting creative when it comes to combating its population decline. Shown here, an older Japanese couple walks past an advertisement displaying a picture of a baby.

means we cannot pay for future benefits such as Social Security and social medical programs like Medicaid. Why? With fewer workers there are less taxes collected. Social benefits in this country are paid generationally. For example, taxes on my wages are currently paying for my parents' benefits. If there are fewer workers, how are our benefits or our childrens' benefits going to be paid?

Before he retired from politics, Speaker Paul Ryan said this: "We have something like a 90 percent increase in the retirement population, but only a 19 percent increase in the working population in America. So what do we have to do? Be smarter, more efficient, more technology. . .still going to need more people."

Is the answer having more children?

There is an easier solution.

President Trump said in this year's State of the Union address that "legal immigrants enrich our nation and strengthen our society in countless ways. I want people to come into our country in the largest numbers ever, but

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they have to come in legally.” This statement and Trump’s apparent pullback on immigration was a shock to immigration hardliners in his base. Let’s hope he and Congress act on those words, because solving the full employment and low fertility rate dilemma may be as simple as increasing legal immigration.

Yet, the facts are this: Legal and illegal immigration has fallen in the last decade, mainly due to a decrease in the number of illegal immigrants coming to the U.S., and fewer visas being granted to those wanting to legally migrate over the last two years. The decrease in the growth of the unauthorized immigrant population can partly be attributed to the fact that more Mexican immigrants are leaving the U.S. than coming in, according to the Pew Research Center in a report in November 2018.

However, since that report was released, it should be noted that in the last four months or so, undocumented

immigrants from Central America have crossed the border in much larger numbers than late last year. In fact, the numbers are so large (about 75,000 a month) that authorities on the border are currently overwhelmed.

During President Trump’s first two years, apprehensions at the border averaged about 32,000 per month. During President Obama’s two terms, the average number of apprehensions at the border per month was 34,000. The monthly average under Bush was 81,000 apprehensions per month. So, outside of the last four months, there have been fewer immigrants seeking asylum in the United States compared to the 2000s.

So, the first factor holding back the economy is simply a lack of labor. . .no, let’s simplify that to a lack of people, period. It’s no longer a skills gap. Everyone who has skills has a job. Today there is a body gap, and in light of the low birth-rate, the only way the current workforce

is going to be replaced is by increasing legal immigration by millions each year.

Slow, if not negative, population growth is happening all over the developed world. It’s happening in Europe, Asia and Japan. Even China’s fertility rate is way down. But, so far, only Japan with its intern program for Chinese workers is doing something about it. We certainly are not, yet. If you can’t replace your workforce, there is only one thing to do — accept slower economic growth.

Now, illegal immigration *is* a political matter. I realize that some are very hostile to illegal immigrants because our president is, even though almost all of us — including President Trump — benefit from their work and almost all of us have paid an undocumented worker at one time or another. Here are a few examples of how important illegal immigrants are to the nation’s economy.

Number one, they perform jobs Amer-



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**No “skills gap crisis”
for these states. . .**

TOP PHOTO: According to Mississippi Gov. Phil Bryant, workforce is the No. 1 decision location driver for today’s industries, and the state has made funding for workforce training a priority. Pictured is East Mississippi Community College’s new Communiversity, located in Lowndes County.

CENTER PHOTO: Louisiana’s FastStart program has been recognized as one of the nation’s top state workforce training programs. Launched in 2008, it has trained 26,000 workers for 175 companies. Here, the Software

Engineering Apprenticeship Program is producing talent for the GE Digital Technology Center in New Orleans and other tech employers there.

BOTTOM PHOTO: The Kentucky Federation for Advanced Manufacturing Education (KY FAME) is an apprenticeship-style educational program.

Another state program, the Kentucky Work Ready Community certification program, is a measure of a county’s workforce quality. More than 70 percent of Kentucky’s counties are Work Ready or Work Ready in Progress. One hundred percent of Kentucky’s counties have begun the process to become Work Ready.



icans will not do, such as picking fruits and vegetables and other farm work. There isn’t a single farmer in America — most of which are getting hammered by tariffs issued by China — that has ever said, “We need less undocumented workers.” I realize that is political. But the argument that undocumented workers “steal” from America through social programs is laughable. Most of them pay taxes for social services they can never use, including Social Security, Medicare and Medicaid.

Also, we have all heard about the skills gap crisis. It’s really *not* a crisis. Companies love to say they can’t find “skilled labor.” For some, this is an excuse for hiring levels that do not meet the thresholds outlined in their incentive contracts. Why don’t these companies teach the skills their new workers need once they are hired? If you are trying to fill 7.5 million available jobs at a rate of 20,000 per month like that found in the February jobs report, you’re not dealing with a skills gap, you’re dealing with a body gap.

And the final example: President Trump wants to build a wall on our Southern border with Mexico. I have half-jokingly said many times, “Yes, we need to build a wall to keep our labor, legal or not, in this country.” I say this because President Trump is going to need illegal immigrants to build that wall. . .half of the construction workers in Texas are undocumented.

Tariffs and weak foreign direct investment

The United States is home to the largest amount of foreign direct investment in the world. Yes, much more than China and any country in Europe. Not only is the U.S. the largest recipient of FDI in the world, it is also the largest direct investor abroad.

Many people believe that U.S.-based multinational companies opening plants in offshore countries is a slap in the face to American workers. Most economists would aggressively argue that point (as do I), in that 74 percent of the accumulated U.S. outward bound FDI last year

was spent in high-income developed countries, such as the U.K., Germany, Japan, etc., where manufacturers plan to sell their goods, not low-income undeveloped countries.

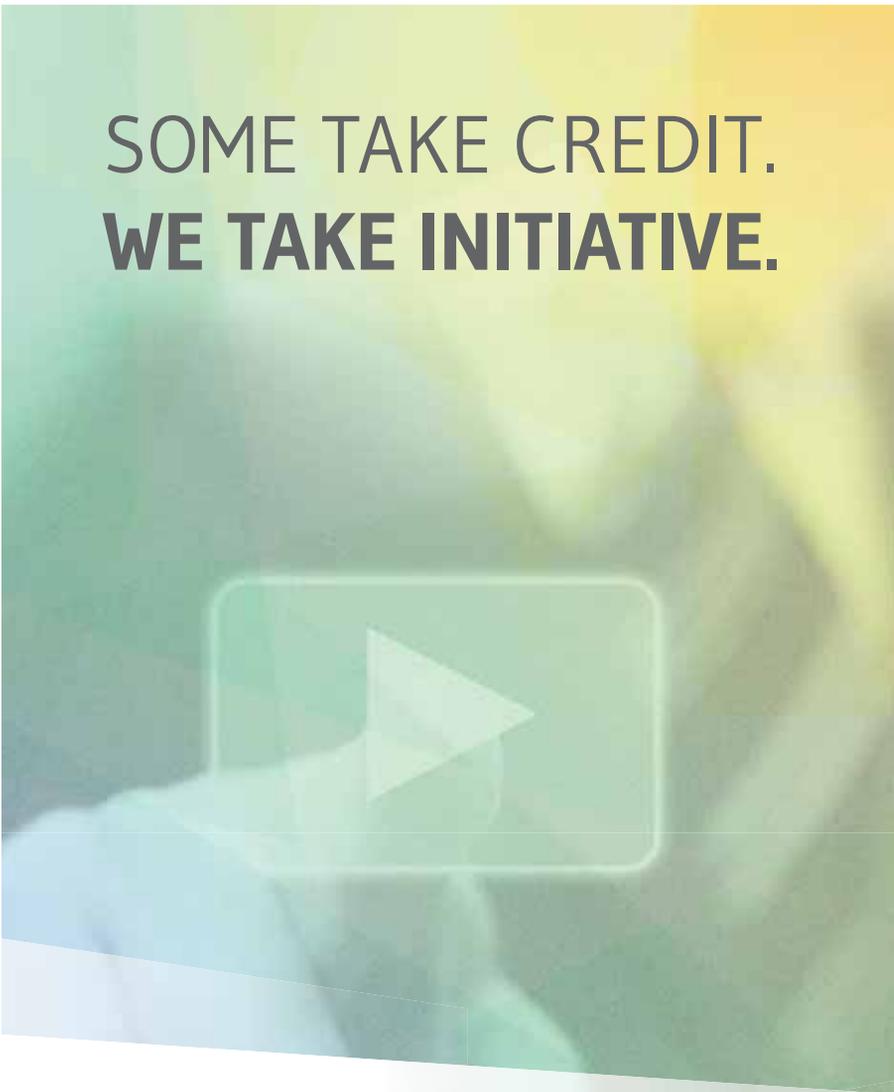
The trend since the recession ended in 2009 for not only U.S.-owned manufacturers and service providers, but foreign-owned as well, is to make it and sell it in the country (or nearby) where your buyers are. Or “make it where you sell it,” a phrase used in a cover story SB&D ran in 2010 about reshoring.

This economic model of “make it where you sell it” has transformed U.S. manufacturing as thousands of manufacturers have repatriated jobs and plants to this country because it is economically feasible to do so. Sure, there are plenty of plants offshore that make things for U.S. consumption. But the larger items, such as cars, tires, construction equipment and say, large pipe used in the oil and gas industry, are best made in the country where they are sold. It’s just economics, considering the cost of shipping and other factors.

The reshoring event that began in 2010 remains a key and favorable component in the U.S. economy. Manufacturing jobs began their turnaround after the recession simply because the U.S. became more competitive, specifically in energy costs for manufacturing plant loads. It should be noted that around 2010, the fracking frenzy began in earnest, putting the U.S. in an enviable position to offer energy costs no other country could offer. That advantage remains today, and the export of our U.S.-mined energy has never been higher. Our newly cost-competitive economy has led to hundreds of thousands of new manufacturing jobs since the recession ended. In fact, from July 2017 to July 2018, more than 327,000 net new manufacturing jobs were created in the U.S., the best 12-month stretch in 23 years.

Offshoring was an issue when the U.S. could not compete with China and elsewhere from the late 1980s through the 2000s. Reshoring was new to me until I read several economic reports on the

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The South's economy is built for FDI. The region boasts more ports than any other region by a wide margin. Shown here is the Port of Corpus Christi.

subject, specifically a report done by the Boston Consulting Group in 2011 titled "Made in America Again: Why Manufacturing Will Return to the U.S." That may still be the most important economic development report (especially for the South) ever written. Because of its low cost of operating a business, combined with the fact the region was suddenly swimming in natural gas, the "Made in America, Again," authors — specifically Hal Sirkin — predicted that in just a few years, manufacturing plants in the South would be cheaper to operate than those in China. That has happened.

FDI is faltering in the U.S., and the political atmosphere and tariffs are the main reasons.

While reshoring or repatriating manufacturing facilities back to the South is indeed a trend, foreign direct investment in the U.S. has fallen on hard times after setting investment records in 2015

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and 2016, as mentioned in the introduction of this story. President Trump's tariffs (I write "President Trump's tariffs" because the taxes were born by executive order and not by a bill passed by Congress) have made investing in the U.S. by foreign companies a risk.

President Trump envisioned the tariffs would, in part, attract foreign investment because if you build a product in the U.S. it is immune to the levies, which are essentially a tax on products that are imported here. But so far, the exact opposite has happened when it comes to inflows of foreign companies investing in the U.S. In other words, what has happened historically when the U.S. puts in place protectionism policies is that less is sold, and what is sold costs more. Tariffs work for some industry sectors, but the vast majority get hammered. And that is exactly what has happened in the first year of Trump's tariffs.

FDI inflows into the United States (FDI-US) dropped to \$275 billion in calendar year 2017. That is down by 40 percent compared to 2016 and 2015. And FDI-US inflows in 2018, which are not available yet, look much worse than 2017. Why? In the second quarter of 2018, FDI in the U.S. was negative \$8.2 billion, meaning a divestment, or foreign firms selling off their U.S. subsidiaries.

Q2 2018 is one of only six quarters since 1982 that the U.S. has seen net divestment in FDIUS. The United Nations Conference on Trade Development reported at the end of 2018 that FDI-US fell by 40 percent for the first half of 2018 compared to 2017, which saw a 40 percent drop from 2016. This is a massive issue for the economy considering the fact that the 15-state American South in some years captures over 55 percent of foreign direct investment in this country.

The South's economy is built for FDI. The region boasts more ports than any other region by a wide margin. The South has the lowest union rate of any other U.S. region by a wide margin, and countries like Japan, Germany, the United Kingdom, Belgium, South Korea, The Netherlands and Canada have made massive investments in the region and continue to do so, just at a lower pace.

As a result of the tariffs, investment from China has essentially ceased at a time when the Chinese were the fastest growing country in inflows into the United States just two years ago. The impact of the tariffs are real and in some cases, very worrisome. For example, Chinese foreign direct investment in the United States in 2016 was \$46 billion. That figure dropped to \$30 billion in 2017. In 2018, after the tariffs were enacted by the U.S., then by the Chinese in retaliation, China's investment in the



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U.S. dropped to just \$4.8 billion, or 90 percent less than two years earlier.

Why is foreign direct investment so important to the South and the U.S.? Since the manufacturing sector began adding jobs in 2010 and every year since at a rate not seen since the 1990s, two-thirds of those new manufacturing jobs were created by foreign-owned companies. Think about that. Since the recession ended, the U.S. has added more than 1 million manufacturing jobs and most of those jobs were created by foreign-owned manufacturers. Those foreign companies pay wages, on average, 24 percent higher than their domestic counterparts.

Specifically, here is what President Trump is trying to do with the tariffs with China: The trade talks underway between the U.S. and China are centered on providing better access in China for U.S.-based companies, enforcement of intellectual property protections and an

end to industrial subsidies. Good luck with the subsidies, which are not subsidies at all, but incentives in exchange for hundreds of millions in investment and hundreds of thousands of jobs. A subsidy is a bailout (such as GM in 2009), which creates zero jobs initially. (Editor's note: You writers who call incentives "subsidies," please refrain from doing so and explain the difference between the two.)

By the time this issue is mailed, President Trump and his trade officials may have struck a trade deal with China. In the meantime, President Trump's year-long trade war has helped widen the trade deficit he has fought so hard to reduce. At the end of 2018, America's trade deficit in goods with other countries rose to its highest level in history. The U.S. imported a record amount of goods, which increased the deficit to \$891.3 billion.

Trump's trade war with China is indeed

expanding the deficit. The Chinese economy has been slowed significantly by the tariffs Trump has levied on Beijing. In fact, it has slowed to the point that it has hurt our exports not only to China, but Europe as well. In December 2018, U.S. exports declined nearly 50 percent compared to December 2017. Now, it should be noted that exports in 2018 surpassed 2017 by a small margin. Yet, after nearly a year since imposition of the tariffs, is the drop in December exports the beginning of a trend?

Also contributing to the trade deficit setting all-time records was Trump's \$1.5 trillion tax cut. The tax cuts are now being financed by increased government borrowing. This has increased U.S. debt to \$21.5 trillion at the end of fiscal 2018. Many economists warned President Trump that the tax cut would both increase the national debt as well as increase the trade deficit. Remember, all countries generate trade deficits





Texas oil and gas pipe firms are filling out government paperwork in attempts to get exemptions from 25 percent tariffs on foreign steel imposed by President Donald Trump. One steel manufacturer in Texas has filled out 500 exclusion requests to the U.S. Department of Commerce since tariffs have been imposed, most of which have not been processed.

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when they consume more goods than they generate at home. The tax cuts gave some Americans extra cash. What did they do with that extra cash? Many of them bought more imported goods.

Winners and losers in Trump's trade war

There are some winners in Trump's trade wars, not many, but there are a few. Steel mills have prospered dramatically, not in job generation, but in profits. Companies like Charlotte-based Nucor are setting revenue records. When Trump put tariffs on foreign-made steel and aluminum, domestic steel manufacturers saw a strategic opening and they pounced on it. For the most part, they raised the price of steel.

But even with the tariffs in place, few jobs have been created at steel plants in the U.S. Technology advances at those plants have created massive job losses in the sector, much like that in other industry sectors. In 1980, there were over 500,000 workers at steel plants in the United States. Today, even after the Trump tariffs on foreign-made metals, there are about 150,000 jobs at steel plants, with a gain of about 4,000 jobs last year.

On the other hand, we have tens of thousands of manufacturers who finish metal products, such as HVAC, appliance, auto parts manufacturers and automotive OEMs. The number of steel plants in this country is nothing compared to those manufacturers that use steel. These companies suddenly saw their costs for steel and aluminum skyrocket. Not only that, many of the U.S.-based steel suppliers cannot even come close to producing the specialty steels that American manufacturers need from foreign suppliers. So, many steel product manufacturers must still rely on foreign suppliers at a tax penalty of 25 percent.

After some research, I discovered a report released in the fall of 2018 by the Cato Institute titled, "Here Are 202 Companies Hurt by Trump's Tariffs." This article is the best example I have seen of the effect of Trump's tariffs on

farmers, those who work with metals and just about every industry imaginable. The sizes of the companies that are hurt by these tariffs are meaningless, because the damage is relative and widespread to all.

The Cato story is written by Scott Lincicome, who is a senior policy adviser at "Republicans Fighting Tariffs," an international trade attorney, Cato Institute adjunct scholar and adjunct professor at Duke University Law School. It profiles very accurately 202 companies harmed by these tariffs.

"Here Are 202 Companies Hurt by Trump's Tariffs"

The introduction to the Cato story: "The debate over tariffs has mostly emphasized their impact on economic growth and jobs, which overlooks specific stories of suffering caused by President Donald Trump's trade war. Below are more than 200 examples of the damage done by Trump's tariffs, aggregated with (by) Republicans Fighting Tariffs. The victims and their stories differ, but the catalyst is the same."

The Cato Institute's report included those bruised by both the U.S. tariffs on imports and retaliatory tariffs on U.S. exports. We have hand-picked 21 examples of the 202 that Cato profiled in its study. Go to Cato's report to read about the other 181 companies profiled.

1. Fluor: "The oil and gas company gets some components for its plants from Chinese manufacturers. Its major methanol project in Louisiana could be delayed or canceled due to increased costs and uncertainty."

2. Arrow Fasteners: "The staple manufacturer cannot pass along tariff-related increases in input costs to customers because they would just turn to foreign competitors. 'We're stuck,' says the owner."

3. General Motors: "The car maker, which cut its earnings forecast for the year because of surging prices for steel and aluminum caused by tariffs, is considering cutting U.S. jobs." (GM later closed four plants in the U.S. and one

in Canada.)

4. Batesville Tool & Die: “The Indiana company may be forced to shift some production to a plant in Mexico in response to higher steel prices caused by tariffs.”

5. CaseLabs: “The California PC case maker has been forced into bankruptcy and liquidation because of Trump’s tariffs, which raised its costs by almost 80 percent.”

6. BMW: “The car maker says tariffs could lead to ‘negative effects on investment and employment in the United States.’ ” (Note: BMW’s only U.S. plant, and its largest plant in the world, is in Greer, S.C., where it employs over 8,000 workers.)

7. Boeing: “The aircraft maker’s stock price cratered (in the fall and then later in the winter) because of worries that tariffs will cause China to shift pur-



Exports subject to retaliatory tariffs going through Port Houston were down 47 percent in October 2018, while those not subject to retaliation were up 34 percent.



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Volvo is raising prices to offset the costs of the trade war. The Sweden-based, Chinese-owned new Volvo plant that currently assembles the S60 sedan near Charleston, S.C., will not export its cars to China as a result of the tariffs. The \$1.1 billion plant was built to export half its cars to China.

chases to Airbus.” (Note: Boeing operates two final assembly aircraft facilities in the U.S. in Washington and its 787 Dreamliner plant that houses over 10,000 employees in North Charleston, S.C.)

8. Harley-Davidson: “The motorcycle manufacturer cut its profit margin forecast for the year due to tariffs, which are forcing it to move some production overseas.” (Harley closed its Kansas City plant in 2018 and the property is up for sale.)

9. Infinity 8: “The California exporter’s shipments of cherries to China fell from 10,000 cartons in 2017 to 240 in 2018 because of retaliatory tariffs. In 2017, it shipped 76,410 cartons of Valencia oranges to Shanghai. In 2018 it shipped 3,240. In 2017 it shipped 44,036 cartons of plums to Shanghai. In 2018 it shipped 170.”

10. General Electric: “The U.S. conglomerate, which faces \$400 million a year in tariff-induced costs, is considering adjusting its supply chain to mitigate the effects.”

11. Alcoa: “The aluminum-product

manufacturer cut its profit forecast ranges by \$500 million, citing tariffs on aluminum it imports from Canada.”

12. Little Bay Lobster Co.: “The New Hampshire company had a big market in China that has dried up because of retaliatory tariffs. It doesn’t know how long it can pay its 75 employees, who aren’t working.”

13. Hyundai: “Tariffs will push up production costs at the car maker’s Alabama plant by 10 percent a year.”

14. Kia: “Tariffs will harm the car maker’s U.S. operations (its only U.S. plant is in West Point, Ga.) and jeopardize plans for additional U.S. investments.”

15. Caterpillar: “The tractor company faces \$200 million in tariff-related costs in the second half of 2018, forcing it to raise prices.”

16. Ryan Mickelson: “‘The farm economy is not good right now at all,’ the Iowa farmer says, ‘and if something doesn’t change, there is going to be a lot of farmers going bankrupt. Something has to change, and something’s got to change fast. Trump promised and said

nothing is going to happen to us farmers, but since this came out and tariffs took effect we’ve seen nothing but a dive in the markets.’” (NOTE: A *Wall Street Journal* story published in February included in part, “A wave of bankruptcies is sweeping the U.S. Farm Belt as trade disputes add pain to the low commodity prices that have been grinding down American farmers for years.”)

17. Lucerne International: “The Michigan auto supply producer says tariffs threaten the life of the company, the livelihood of its employees, and an intricate auto supply chain that creates hundreds of thousands of U.S. jobs.”

18. Moog: “The musical instrument maker may cut jobs or move operations out of the country because tariffs will make it too expensive to do business in the U.S.”

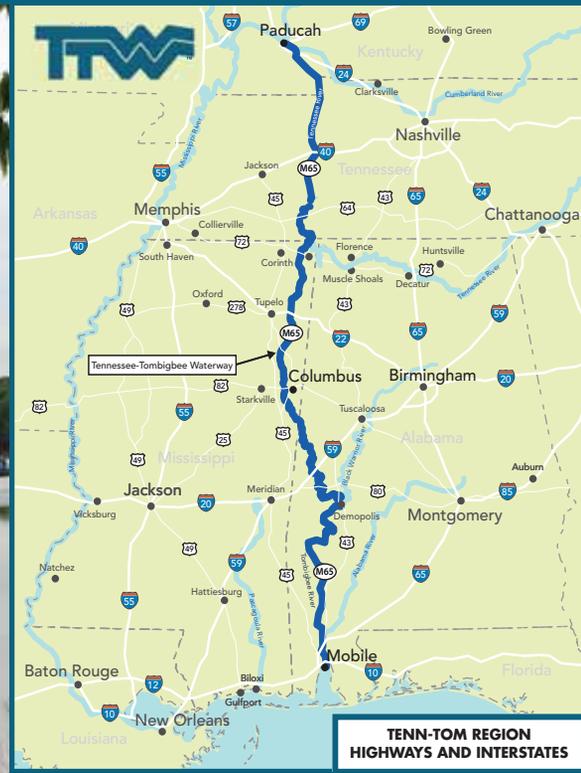
19. Anthony Rinald: “‘The margin of profit is low, real low,’ the Pennsylvania farmer says. ‘It’s borderline if we’re going to make it or not.’”

20. Toyota: “The car maker, which faces nearly \$100 million in tariff-related cost increases per year, may stop importing some vehicles into the U.S. because of proposed U.S. tariffs.”

21. Volvo: “The car maker is raising prices to offset the costs of the trade war.” (NOTE: Swedish-based, Chinese-owned Volvo’s new plant that currently assembles the S60 sedan near Charleston, S.C., will not export its cars to China as a result of the tariffs. The \$1.1 billion plant was built to export half its cars to China.)

In reading the responses from the owners or spokespersons for the companies cited, you can see a theme. No. 1: they are all struggling as a result of higher materials costs. No. 2: many of the companies are being shut out of China as a result of the retaliatory tariffs. No. 3: many will ditch domestic suppliers for foreign ones, whose products are still less expensive even though they are taxed. No. 4: some expect to relocate their plants to other countries as a result of the tariffs. No. 5: just about every

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CEO of Toyota North America Jim Lentz, who is now operating out of Toyota's new North American headquarters in Plano, Texas (shown here), announced \$750 million in investments for plants in Alabama, Tennessee, Missouri and other states in mid-February. He also said he could cancel those investments if Trump put tariffs on foreign cars and parts.

company that can survive these tariffs is passing the increased costs to you, the consumer. No. 6: many of these businesses are having to reinvent their supply chains (many of which have been in place for decades) not only to stay profitable, but to survive. And lastly, because of U.S. tariffs on Chinese goods, many U.S. companies who make products for U.S. consumption in China are considering moving their plants to Cambodia and other Asian countries just to bypass Trump's tariffs on China.

These tariffs, both from the U.S., China, Europe, Canada and elsewhere, are robbing the former free trade world and its economic base. The examples from the Cato Institute report are from U.S. companies or foreign affiliates. What do you think Chinese companies are going through? It's probably worse.

Conclusion

President Trump (again, not Congress) imposed steel and aluminum tariffs on March 1, 2018. Trump announced his intention to impose a 25 percent tariff on steel and a 10 percent tariff on aluminum imports. In a tweet the next day, Trump asserted, "Trade wars are good,

and easy to win."

The 21 examples we published in this story of the 202 examples published by the Cato Institute show one thing: the vast majority of companies are losing, not "winning," in this trade war, and they come from all sectors. And don't forget, Cato's story was written late last year, so those companies are in worse shape now than they were then simply because they have had about five more months of exposure to the tariffs.

An escalation of additional tariffs, over and beyond what is in place now, will rock the U.S. economy, and most likely throw it into recession. If President Trump, as he has threatened to do, imposes tariffs on cars and car parts that are imported from Asia and Europe to the U.S., it won't be pretty.

Jim Lentz, CEO of Toyota North America, was quoted in a story published by many media properties in mid-February, saying, "I think it makes it difficult... because it's going to impact the overall industry." Lentz, who is now operating out of Toyota's brand new North American headquarters in Plano, Texas, an-

nounced \$750 in million investments in plants in Alabama, Tennessee, Missouri and other states in mid-February. He also said he could cancel those investments if Trump put tariffs on foreign cars and parts. Toyota and Mazda are also building a 4,000-employee plant in Huntsville, Ala. If Trump places tariffs on foreign automobiles and car parts, I believe the odds that Toyota and Mazda will finish the plant are 50-50.

Few understand the depth of the auto industry in the South and in the U.S. It is by far the largest industry in the South (go to SouthernAutoCorridor.com) and has been for more than 25 years. In those 25 years, the Southern Auto Corridor has captured more than 85 percent of all new assembly plants announced in the U.S.

The country that has captured the rest of the new North American auto assembly plants — and we are talking about a significant number of assembly plants— has one thing the U.S. doesn't have. Mexico has free trade agreements with 45 countries. Our FTAs are reduced in number.

I will repeat what I always say about tariffs, "Less is sold, and what is sold costs more." In other words, nobody wins in a trade war. We all lose. We all sell less and what we sell costs our customers more. There are no winners. And the data is telling us more each day that the U.S. and China, in self-inflicted fashion, are taking each other's economies down. All the while, the China versus U.S. trade war is slowing the entire global economy.

So, what are the three factors holding back a good economy? (1) Increase legal immigration to help fill the seemingly endless 7.5 million jobs that are available each year. (2) End the tariffs to bring inflows of FDI to levels seen in 2015 and 2016. (3) End these destructive tariffs (both U.S. tariffs and retaliatory tariffs) and go back to the free trade system, adding more countries to our original FTAs to get our small, medium and large companies back on their feet. See, without politics, the problems we have with our economy are easy fixes. But factor in politics and these are three not-so-easy pieces. 🍷



There are many destinations in the South for foreign direct investment (FDI). Profiled here are the top small and medium-sized markets for FDI in the 15-state Southern region. These markets were chosen based on the number of projects they have captured from foreign companies over the last 25 years.

ALABAMA

Montgomery, Ala.

In 2002, South Korea-based Hyundai Motor Company selected Montgomery, Ala., as the location of its first North American production facility. Hyundai Motor Manufacturing Alabama (HMMA) has invested more than \$2.2 billion in its Montgomery facility. Montgomery's International Family Support Program has assisted hundreds of families in a smooth transition to the city. Montgomery's industrial base includes more than 60 companies with headquarters in Brazil, China, France, Germany, Ireland, Japan, Saudi Arabia, Singapore, Slovakia, South Korea, Spain, Taiwan and the U.K.

Cullman, Ala.

Cullman is home to seven international manufacturing companies representing Germany, Japan, Australia and Canada, accounting for 25 percent of manufacturing employment. SB&D's recognition of Cullman as a hub for foreign direct investment (FDI) acknowledges the tremendous growth and success of the international companies there. REHAU located in Cullman from Germany in 1995, and has grown to become Cullman's largest employer. Topre America, Alabama Cullman Yutaka Technologies, and Cullman Casting are Japanese companies that employ over 1,100. Canadian companies Concours Mold Alabama and J.E. Lortie came to Cullman to provide injection mold maintenance and produce industrial safety products. Australian company Reliance Worldwide Corp. produces valves and plumbing accessories including the innovative SharkBite Pex system. These companies provide a strong foundation for Cullman's large manufacturing sector.

Cullman's pro-business leadership and dedication to ensuring companies continue to succeed long after they locate in the community gives foreign companies the confidence to bring

FDI Clusters

Small and Medium-Sized Cities
in the South Attracting
Foreign Direct Investment
in a Big Way

Montgomery, Ala., shown above, is home to more than 60 companies with headquarters outside the U.S.



Cullman, Ala., is home to seven international manufacturing companies representing Germany, Japan, Australia, and Canada, accounting for 25 percent of manufacturing employment.

business to Cullman. “The community is so open toward and supportive of industry. For a company originally from overseas, I think that means something. We feel welcome here, and I have never experienced as much support as I have in Cullman, Ala.,” said Albert von Pelser Berensberg, Plant Manager of REHAU Automotive.

Other small and medium-size FDI clusters in Alabama include Tuscaloosa County, Opelika, Auburn, Walker County, Talladega County, Limestone County, Mobile, Chambers County, Huntsville and Morgan County.

ARKANSAS

Mississippi County, Ark.

In addition to being one of the largest steel producing counties in the United States, Mississippi County boasts an impressive amount of foreign direct investment. Nucor-Yamato Steel, DENSO, Kagome Foods, Atlas Tube, IPSCO, Tenaris and SMS are just some of the companies that have found Mississippi County a welcoming place to invest in the U.S.

Backed by one of the finest workforce training centers in the American South, Mississippi County Economic Development has proven itself a solid partner that understands business to foreign companies looking for a place to do business. Companies from Canada, Europe, Russia, South America,

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Still think Cullman's just another small town? Then it's time to switch gears. ⚙️

We didn't invent the strategy of recruiting national and international business to rural America, but after years of cultivating relationships with business from all corners of the globe, we think we've perfected it. That's why Cullman continues to rank near the top nationally for industrial recruitment and existing industry growth. Considering Cullman is home to numerous automotive-related industries, successful workforce training programs and state-of-the-art healthcare facilities, and consistently ranks in the Top School Districts in the state of Alabama, it's easy to understand why industry has deep roots in this part of central Alabama. Stay a while. . .or a lifetime.

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Economic Development Agency
www.cullmaneda.org

CULLMAN COUNTY
INDUSTRIAL DEVELOPMENT AUTHORITY
www.co.cullman.al.us

Japan and China have all found Mississippi County a home away from home.

Other small and medium-size FDI clusters in Arkansas include West Memphis, Springdale, Paragould, Russellville, Jonesboro, El Dorado, Bentonville, Fayetteville, Fort Smith and Rogers.

FLORIDA

Pasco County, Fla.

Pasco County is located in North Tampa Bay, and is growing at a rapid pace, with many foreign-owned companies. Pasco County enjoys foreign direct investment from Switzerland, Germany, France and Japan.

Swiss-owned METTLER TOLEDO recently invested over \$30 million and built a 270,000-square-foot advanced manufacturing facility. The Pasco EDC serves as the primary contact for economic development in Pasco County and is a member of Global Tampa Bay, a three-county regional partnership with neighboring Hillsborough and Pinellas Counties to promote international trade and investment. Pasco EDC also offers a SMARTLandings program designed to help international ventures quickly establish a presence and develop knowledge domains and business relationships within Tampa Bay, Fla.

Volusia County, Fla.

Global investment in the Greater Daytona Region of Florida has skyrocketed in recent years. Leading companies and site selectors have selected Volusia County, resulting in substantial capital investment and new job creation. Recent investments by these and other companies are capturing attention: B. Braun Medical (Germany); Tech Fit Robotic Surgery (Venezuela); Sea Max Light Sport Aircraft (Brazil) and Kingspan Industrial Building Products (Ireland)

Other small and medium-size FDI clusters in Florida include Winter Haven, Kissimmee, Vero Beach, Pensacola, Port St. Lucie, North Port, Okaloosa County, Bay County, St. Johns County, Sarasota and Santa Rosa County.

GEORGIA

Griffin-Spalding County, Ga.

Griffin-Spalding County, Ga., has attracted FDI from international partners from France, England, Italy, Japan, Germany and New Zealand, and is proud to have them operating within the community. The largest influx of

FDI has come recently with the opening of the Griffin-Spalding Development Authority's (GSDA) The Lakes at Green Valley — the only "eco" Park in Georgia.

The 570-acre mixed use development opened in 2014 and added Otsuka Chemical, Toppan USA, and then Marukan Vinegar. Rinnai followed in

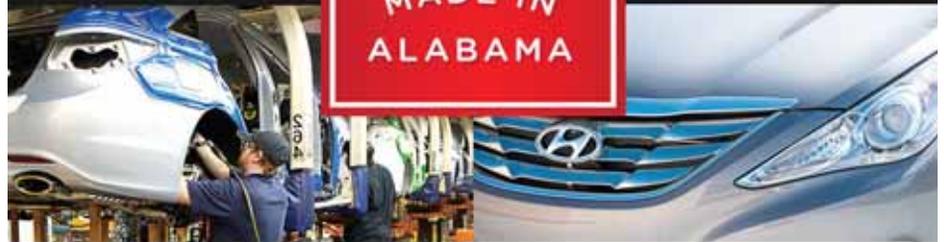


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For automotive manufacturers, Montgomery is more than just the capital of Alabama—it's the productivity capital of America. Home to 2012's most productive OEM in North America, Montgomery was responsible for producing two of the top 10 retail-selling cars of 2012. Thanks to a friendly business climate, shovel-ready real estate, and a skilled workforce with talent to spare, the manufacturing industry in Montgomery is a whole lot more than the sum of its parts.

MADE IN ALABAMA



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2017, and opened in the interim in an existing facility. They became, in April 2018, the first major tankless water heater company to manufacture in North America. Another company has purchased a site but hasn't been announced yet. With these developments, all of the investors in The Lakes at Green Valley are Japanese.

"Building relationships with our Japanese companies is very important to us. We want to be lifelong partners as they continue to grow in our community. With that said, we continue to work to keep our other international partners growing as well," said GSDA Executive Director David M. Luckie. "Of course, this would not be possible without the support and confidence that existing investors have placed in us over the years along with the great assistance from the Georgia Department of Economic Development."

Bryan County, Ga.

Bryan County, Ga., has had considerable success attracting FDI. Companies from Brazil, Israel, Germany and Canada have located in the community, and nearly 50 percent of people employed at local industries work at one of these companies.

Bryan County has plenty to offer foreign companies; the

publicly owned Interstate Centre has approximately 650 acres remaining for development and is located in a Military Zone, and privately owned Belfast Commerce Park has approximately 1,000 acres remaining and boasts a CSX Select Site. Both parks have interstate frontage, are Georgia Ready for Accelerated Development (GRAD) Certified and have available infrastructure.

Henry County, Ga.

Just minutes from Atlanta and the Hartsfield-Jackson Atlanta International Airport (the world's busiest and most efficient airport), Henry County is a destination for global commerce. Henry connects businesses to the world with easy access to interstate highways, national train systems and global ports. Eighty percent of U.S. consumers are located within two flight hours or two days by highway.

The presence of companies from Austria, France, Switzerland, South Korea, Italy, Japan and Sweden demonstrate that Henry is a prime global location for business. Henry County is proud to have companies like Luxottica, Alpla, Toppan Interamerica, and more innovating and growing there.

Cartersville-Bartow County, Ga.

Located north of Atlanta on Interstate 75, Cartersville-Bartow County is Georgia's 2017 International Community and home to 35 international firms including Toyo Tire, Anheuser-Busch/InBev, T.I. Automotive, Gerdau, Aquafil, voestalpine, Yanmar, Surya, Beauflor, and Constellium among others. With access to important markets, extensive infrastructure, a low cost of doing business, an educated and loyal workforce, rich natural resources, prepared industrial sites and collaborative community leaders, Cartersville-Bartow has proven successful in capturing FDI. "The level of cooperation from the State of Georgia and Bartow County over the years continues to exceed our expectations," said Toyo Tire President Don Bunn in a recent press release.

Forsyth County, Ga.

For a mid-sized community, Forsyth County has a tremendous amount of foreign direct investment with 75-plus international companies, including 20-plus headquarters. Germany is the most prominent country represented, but the county has recently attracted several companies from China. Success is driven by their strategic proximity to Hartsfield-Jackson International Airport, education system and executive-level quality of life. Forsyth has the No. 1 school system in Georgia with highest ACT and SAT scores, and it has the most educated workforce. As the most affluent county in the state, Forsyth has abundant executive housing, recreation on Lake Lanier and an award-winning park system.

Other small and medium-size FDI clusters in Georgia include West Point, LaGrange, Hall County, Macon-Bibb County, Meriwether County, Carroll County, Dublin-Laurens County, Liberty County, Savannah, Coweta County, Fayette County, Jackson County, Cherokee County and Houston County.

MISSISSIPPI COUNTY

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KENTUCKY

Elizabethtown, Ky.

Elizabethtown, Ky., has enjoyed long-term growth in foreign direct investment from Belgium, England, France, Germany, India, Japan, Luxembourg, Mexico and The Netherlands. Elizabethtown's prime central location, low energy prices, community attributes and more have landed new projects like India-based packaging giant Flex Films (2010) and The Netherlands Eurotrol (2016), which produces quality control products for in vitro diagnostics. In addition, foreign investors' success in Elizabethtown has led to multiple expansions. AGC Automotive (Japan), for example, has tripled its footprint since coming to Elizabethtown in the late 1980s, and the latest expansion at automotive supplier Metalsa (Mexico) will create 250 new jobs.

Other small and medium-size FDI clusters in Kentucky include Nelson County, Bowling Green, Clark County, Danville-Boyle County, Georgetown-Scott County, Christian County, Bullitt County, Shelby County, Simpson County, Marion County, Mercer County, Owensboro, Murray, Somerset and Richmond.

LOUISIANA

Southwest Louisiana

Over the last five years, the Lake Charles, La., metro has seen the highest job growth in the nation at 28.3 percent, according to the Bureau of Labor Statistics. Lake Charles has created a net gain of 24,482 jobs in those five years. The 28.3 percent gain in jobs is almost four times the national rate of 7.2 percent over the past five years. Foreign-owned companies helped propel Lake Charles to the No. 1 market in job growth in the country.

The French industrial gas company Air Liquide has large operations in Lake Charles, as does Switzerland-based Lonza Group. LyondellBasell, based in The Netherlands, also has major operations in Southwest Louisiana. But South Africa-based Sasol is certainly one of the largest foreign manufacturers in the Southwest Louisiana region. Sasol's

Lake Charles Chemical Complex has seven manufacturing units situated on approximately 400 acres. The company's primary products are used in the cleaning and personal care markets to manufacture ingredients for soaps, detergents, shampoos, cosmetics and more. Sasol also manufactures specialty chemicals used in mild abrasives, thickeners and pharmaceuticals, as well as in the enhanced oil recovery markets. Sasol is constructing a world-scale petrochemical complex near the Lake Charles Chemical Complex. The project will roughly triple the company's chemical production capacity in the U.S. and enable it to build on its strong positions in robust and growing chemical markets.

Other small and medium-size FDI clusters in Louisiana include Lafayette, St. Tammany Parish, St. James Parish, St. Charles Parish, Shreveport and Iberville Parish.

MISSISSIPPI

Columbus-Starkville-West Point, Miss.

The Golden Triangle region of Mississippi has attracted foreign direct investment for decades thanks to an aggressive economic development agenda and a business friendly community. These investments have resulted in billions in capital injected into Clay, Lowndes and Oktibbeha Counties and created more than 1,000 jobs.

Long-time resident companies like Valmet (Finland), Eka Chemical (Sweden) and Nammo Talley (Norway) initiated the FDI presence in Lowndes County, Miss., and it has grown since.

In more recent years, the Golden Triangle has attracted Airbus Helicopters (France), Stark Aerospace (Israel) and Yokohama Tire (Japan). In order to market to both foreign and domestic investment, the region has invested in



What do our foreign partners from France, England, Italy, Japan, Germany and New Zealand call Griffin-Spalding County, Georgia? Home.



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Spalding County and The Lakes at Green Valley Industrial Park are proud to be recognized by Southern Business & Development Magazine. The Lakes at Green Valley is the first Eco mixed-use park in Georgia.

A combination of both an educated workforce and dedicated local leadership have made the difference in attracting new economic growth to Griffin-Spalding County. The Griffin-Spalding County Development Authority works jointly with the City of Griffin and Spalding County to attract capital investment and jobs to the area.

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a massive amount of infrastructure, including a regional airport, three ports, and four industrial parks containing three TVA-certified megasites. Together with development partners, the Golden Triangle contains more than 7,000 shovel-ready acres of community-owned property. Most recently, the community, with assistance from state and federal partners, constructed a \$42

million workforce development facility called The Communiversity to house, and grow, East Mississippi Community College's workforce and career technical programs.

Four universities within 90 miles of the region add to the quality of life and international offerings that the Golden Triangle brings to a company looking

to relocate its business and employees there. "We're competing, and winning, in a global economy," said Joe Max Higgins Jr., CEO of the Golden Triangle Development LINK. "The Golden Triangle and its assets are highly attractive to this type of investment because of the successes of our current industrial landscape." To learn more about the Golden Triangle, visit www.gtrlink.org.

Tishomingo County, Miss.

Located at the intersection of the Tennessee River and the Tennessee-Tombigbee Waterway, Tishomingo County, Miss., has worked hard to land foreign direct investment from Canada, Germany, Brazil and Luxembourg. FDI has been attracted by aggressive local leadership with a long-term successful recruitment record, an experienced manufacturing workforce, transportation options and competitive incentives.

Creating over 2,300 manufacturing jobs and \$380 million in private investment over the past ten years, Tishomingo County is an attractive and profitable location for future FDI.

Tupelo-Lee County, Miss.

Tupelo-Lee County has become a magnet for foreign direct investment in the South. As a hub for business, healthcare, retail and manufacturing in Northeast Mississippi, the county leaders are proud of the unprecedented FDI success the community has experienced. Over the past 25 years, 15 international companies have invested over \$1.7 billion in capital, creating 4,792 jobs in the region. Toyota, Philips, Grammer, Hunter Douglas, and Martinrea are some of these great companies. Since locating there, all have reinvested capital and/or additional jobs in Tupelo-Lee County, further proving the growth potential and confidence in this region's strong workforce and community support.

These international companies have not only positively impacted the economic climate of the region by bringing in a part of their culture to this community, multi-cultural programs have been implemented in the Tupelo/Lee County schools. Banks and hotels

We speak the language of manufacturing.

Owens Corning, LNS Turbo, Clariant, Lanxess, D Hollandia NA, Repi, Tosaf USA, Mann + Hummel and CTL Packaging USA are just a few of the international firms which have located their advanced manufacturing operations here.

Let's begin a conversation! Come see us when you are in the Charlotte Region!



For more information about locating your industry in Gaston County, N.C., contact Donny Hicks at 704-825-4046.

www.gaston.org

WINSTON-SALEM FORSYTH COUNTY



THE CITY OF ARTS AND INNOVATION

- Located within 650 miles of more than half the U.S. population
- Ranked #4 in the U.S. for cost effective data centers by the Boyd Company
- 240 acre urban-based research park
- Regional workforce of over 800,000
- Cost of living well below the national average



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WINSTON-SALEM BUSINESS INC.

Dhollandia North America plans an investment of approximately \$30 million and the creation of 200 jobs in Gaston County, N.C. The firm is constructing a 272,000-square-foot advanced manufacturing operation in Bessemer City, which includes its North American corporate office. Products to be produced include passenger lifts, cantilever lifts, slider lifts and column lifts for the automotive industry.



have foreign liaisons, and ethnic grocery stores and restaurants now exist. This community has openly embraced the diverse array of cultures that foreign-owned companies have brought to the region, and looks forward to continuing this success of foreign direct investment in the future.

Other small and medium-size FDI clusters in Mississippi include Canton, DeSoto County, Union County, Grenada, Vicksburg, Itawamba County, Rankin County and Hancock County.

NORTH CAROLINA

Winston-Salem-Forsyth County, N.C.

Touting a community with a strong legacy in manufacturing and financial services, Winston-Salem, N.C., has been a premier location for foreign direct investment over the past few decades. The fact that these foreign companies have been able to find labor time and time again, and that the labor force performs to the standard that these companies are accustomed is a major selling point for the Winston-Salem and Forsyth County area.

Factors such as the lowest corporate income tax in the country (3 percent) and low utility rates contribute to Winston-Salem's favorable tax climate and low cost of doing business. Combine these factors with a highly skilled workforce and property costs well below similar cities. . . it is no wonder that FDI is constantly considering this area for new investment. Winston-Salem and Forsyth County currently have over 98 foreign-owned companies operating within the county and employing over 5,500 people. Companies such as Siemens, Atlas Copco, BekaertDeslee, Polyvlies, TE Connectivity, AON Hewitt, Deutsche Bank and others call Forsyth County home. Several other foreign companies are currently considering the area as their choice for new foreign direct investment.

Gaston County, N.C.

Gaston County has emerged as a location of choice for advanced manufacturing facilities. Foreign direct investment has accounted for 20 of the 41 most recent economic development projects of the Gaston County EDC. This includes existing industry expansions and new locations. Over \$370 million has been invested, along with the creation of over 1,000 new jobs that have consistently paid more than the county's average annual wage for that year.

Most of the FDI projects are from Europe, with a few from Asia. Canada, Turkey, Israel, Germany, Belgium, Spain, Italy, Mexico, Australia, Switzerland and Japan are the home countries of these firms. These operations involve plastic, chemical and metalworking firms that are usually family-owned operations. Of the 20 firms, about half have engineering and headquarters operations in addition to the advanced production located at their Gaston County facility. These international firms prove that Gaston County successfully competes for new and expanding global businesses.

Gaston County's proximity to the Charlotte Douglas International Airport (CDIA) and Interstate 85 are two major factors for FDI. The majority of the county's business parks and industrial sites are within five miles of Interstate 85 and not more than a 30-minute drive to the CDIA.

Asheville, N.C.

A number of international companies have invested in the Asheville metro area in recent years, helping to grow the area's population to nearly 500,000 people, and grow the metro area's GDP to over \$20 billion. Auto parts manufacturers Reich (Germany) and Linamar (Canada) employ over 1,000 people in Buncombe County, while med tech company Enplas (Japan) and industrial HVAC manufacturer, Haakon Industries (Canada), add additional diversity to the area's growing FDI presence. The Asheville area's growing skilled labor force and unparalleled quality of life amenities are just a sampling of what attracted these thriving companies to the area.

Morrisville, N.C.

There are over 700 foreign-owned firms operating in the Research Triangle region of North Carolina. In Wake County (the largest county in the Triangle), there is one community leading the way for foreign direct investment success. Morrisville, named one of the most linguistically diverse communities in North Carolina, is a short distance from RDU International airport and home to major foreign-owned firms like Chinese-owned Lenovo, whose North American headquarters have called Morrisville home for decades, Indian-owned Conduent and Japanese-owned Fujifilm, whose recent biopharmaceutical expansion will add 100 new jobs and \$90 million of investment into the community.

Other small and medium-size FDI clusters in North Caroli-

na include Statesville, Wilson, Durham, Cabarrus County, Lincoln County, Catawba County, Cleveland County, Alamance County, Cary, Huntersville, Pitt County, Craven County, High Point and Wilmington.

OKLAHOMA

Bartlesville, Okla.

Switzerland-based ABB came to Bartlesville in 1999 to manufacture gas chromatographs and mass spectrometers for the energy sector. The Bartlesville Development Authority assisted with a new facility in the city-owned industrial park and with two subsequent expansions. In October of 2018, ABB announced a consolidation of analytical manufacturing to Bartlesville, and an additional 90 employees. “Bartlesville, Okla., is an excellent location for ABB,” said ABB spokesperson Melissa London. “As a mid-size city within driving distance of larger metropolitan areas, Bartlesville is attractive to both individuals and families, which helps us recruit and retain quality talent.”

Other small and medium-size FDI clusters in Oklahoma include Pryor, Norman, Miami, Muskogee, Stillwater, Ardmore, Shawnee, Lawton-Fort Sill and Ponca City.

SOUTH CAROLINA

Clarendon County, S.C.

Clarendon County, which is strategically located along Interstate 95, enjoys unparalleled access to this major north/south transportation artery and the port of Charleston. It’s no wonder many foreign-owned companies are having success there. With a 50,000-square-foot spec building and over 2,000 acres of certified industrial property, Clarendon County is sure to be the right fit. Companies such as Amgo Hydraulics (China), Swift Green Filters (Canada) and Alucoil (Spain) have collectively been operational for over 10 years. These companies have one thing in common: they have found a skilled workforce, a pro-business environment and the sense of feeling at home in Clarendon County. “We welcome FDI with open arms and look forward to many more years of fu-

ture success,” said Clarendon County Development Board Executive Director George Kosinski.

Lexington County, S.C.

Foreign direct investment has long been a powerful contributor to the economic success story that is Lexington County, S.C. More than 7,000 people are employed by 35 foreign-af-

iliated companies in the central South Carolina county of about 290,000 people, according to county economic development director Mike Eades. That’s about 25 percent of the county’s private sector workforce. “The commitment that enterprises from around the world have made makes a strong statement about Lexington County as a place to do global business,” Eades said.

CONTINUED



Chapin Business & Technology Park at Brighton

An innovative hub with an urban edge, this multi-use Park which features premier office space along with luxurious housing and first-class shopping, allows entrepreneurs and residents the ability to work and thrive in a spirit of collaboration.



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COUNTY of LEXINGTON
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The South Carolina Port's Authority's newest addition, Inland Port Dillon (IPD), is up and running and it offers all the same services that a typical port offers. IPD helps to better connect NESAs domestically and internationally.



Those 35 firms include automotive supply, outdoor power products distribution, fiber optics, financial services and food manufacturing among others. One of those firms is Michelin Tire, which first invested in Lexington County in 1980 and has expanded seven times, now employing more than 2,500 people. Diversity is exemplified by Flex, the Singapore-based firm whose contract manufacturing facility employs 350 to 400 people providing “sketch to scale” design, engineering, manufacturing and supply chain logistics across multiple industries for clients around the world.

“Lexington County has all of the key elements to help our organization gain a competitive advantage — from an excellent labor force to a superior transportation network to an exceptional quality of life,” says Flex General Manager Marty Wilson. “This helps set us apart in this ever-changing global marketplace.”

Laurens County, S.C.

Laurens County is well-positioned for economic development in the Southeast. With over 58 percent of the U.S. population, 42 automotive OEMs and 53 aerospace OEMs within a day’s drive, Upstate South Carolina is highly sought after in the Southeast. Laurens County houses prominent manufacturing industries and distribution centers representing eight countries: Germany, United Kingdom, Japan, Italy, Canada, Turkey, Denmark and China. Over the last 25 years, Laurens County has announced over \$1.4 billion in foreign direct investment that resulted in 4,200-plus new jobs, through 57 different projects. Laurens County also had the second highest growth rate in the nation for real GDP growth for all industries between 2012 and 2015 — over 148 percent.

Dorchester County, S.C.

Saying that foreign direct investments significantly impact Dorchester County economic development would be an understatement. From new capital investments to expansions, South Carolina consistently earns the highest percentage of FDI per capita of any state in the nation. Fast Facts: 22 Dorchester County manufacturers are foreign-owned, representing approximately 30 percent of the county’s manufacturers; foreign-owned companies employ 53 percent of Dorchester County’s manufacturing workforce; 60 percent of new prospect visits are by foreign-owned companies. Dorchester County leaders attribute its FDI success to the state’s pro-business environment, active global recruitment strategy, which includes extensive international travel for lead generation, and classic Southern hospitality.

Newberry County, S.C.

In 1996, Newberry County landed the Korean wire manufacturer Kiswire, which supplies the American tire market, and Trucast, an auto supplier based out of the United Kingdom. Just a few years later in 2001, the world’s second largest heavy equipment manufacturer selected Newberry County for a facility to produce earth moving equipment.

In 2016, the community landed its first BMW supplier, a small German family-owned company named MM Technics. And just a year later, it ended up as the last community standing after a nationwide search by Samsung, which announced its first North American appliance facility in a \$350 million, 950-job deal.

“We speak the international language, the language of business,” said Rick Farmer, Director of Newberry County Economic Development. “We are delighted to have such a large foreign footprint.”

Northeastern South Carolina

The State of South Carolina and the NESAs region are not strangers to FDI. More than 1,200 international firms manage operations in the state, and that number continues to grow. Foreign-affiliated companies employ more than 131,900 South Carolinians, or 7 percent of the state’s private industry employment. The NESAs region is home to companies headquartered all around the world including Schaeffler Group, Honda, Nan Ya Plastics, Wellman Plastics Recycling, Highland Industries, Takata, Metglas, Beneteau, DSM, ARAUCO and many, many more.

“We are grateful and honored to have many international companies located here in our region,” NESAs Executive Director Jeff McKay said. “They are excellent corporate partners who provide citizens of our region with excellent jobs, benefits and opportunities for the future.”

The NESAs region is in the perfect position logistically to assist international companies in getting their products in and out with the newest addition, Inland Port Dillon, which also gives the region direct CSX Class 1 rail access to the deepwater Port of Charleston. Additionally, both are located at the intersection of two major interstates and have the second fastest growing MSA in the country — Myrtle Beach — located in the region.

Other small and medium-size FDI clusters in South Carolina include Berkeley County, Myrtle Beach, Anderson County, Spartanburg County, York County, Florence County, Kershaw

County, Richland County, Orangeburg County, Greenwood, Richburg, Lancaster County, Oconee County, Cherokee County, Pickens County, Chester County and Fairfield County.

TENNESSEE

Knoxville-Oak Ridge, Tenn.

More than 100 internationally-owned companies, ranging from Japanese automotive manufacturers to European health-care firms, operate across an eight-county region in East Tennessee known as Innovation Valley.

Increasing foreign direct investment is spurred by the region's unparalleled research and technology institutions, pro-business policy, infrastructure and low cost of living.

"Through the Innovation Valley partnership we are able to offer prospective companies access to a larger workforce pipeline, research and technology assets such as the University of Tennessee and Oak Ridge National Laboratory, as well as support from regional resources like the Tennessee Valley Authority," said Rhonda Rice Clayton, executive vice president of the Knoxville Chamber and managing director of Innovation Valley. "These assets, located across the region, are what differentiate us in the U.S. and abroad."

Northeast Tennessee

German manufacturers have found success in Northeast Tennessee via a business-incubator-sponsored International Soft Landing Program. The program is a partnership between the East Tennessee State University (ETSU) Innovation Lab and the Northeast Tennessee Valley Regional Industrial Development Association (NETVRIDA). Located in Johnson City, Tenn., the Soft Landing Program provides resources that ensure companies a "soft landing" into the U.S. business world. The program is designed for small/medium sized firms who can benefit from a trial period evaluating options for the U.S. market.

Specific assistance is provided in the areas of domestic product research, legal services, market entry and human resources, among many others. In addition, NETVRIDA can offer a free rent period to reduce a company's initial operating expense.

The most recent success story from the Soft Landing Program is Hebmüller Aerospace, headquartered in Kaarst, Germany. "Working with the Innovation Lab made our start in the USA very easy with help provided in every step setting up the office. We have benefited from advice from other German companies located in the area and Northeast Tennessee offers outstanding affordability as a business location," said Axel Hebmüller, CEO.

Other small and medium-size FDI clusters in Tennessee include Jackson, Williamson County, Rutherford County, Wilson County, Maury County, Washington County, Chattanooga, Bradley County, Blount County, Dyersburg, Dickson County, Morristown, Sullivan County, Union County, Montgomery County, Anderson County, McMinn County and Rhea County.

TEXAS

Corpus Christi, Texas

Since 2010, Corpus Christi and the surrounding Coastal Bend region has announced \$50 billion in new investment. With access to a deepwater port, a vast network of rail and highway infrastructure, and a large pool of skilled workers, the region has long been an oil and gas refining hub, with longtime Port of Corpus Christi tenants CITGO Refining and Chemicals, Flint Hills Resources, and Valero Energy Corporation as anchor tenants for decades.

With the Eagle Ford and Permian Shale boom supplying feedstock via pipeline to the area, the Corpus Christi region has been ground zero for unprecedented growth. Most notable in the FDI arena: Chinese pipe mill TPCO America, Austrian iron briquette manufacturing facility voestalpine Texas, a consortium of foreign investors' plastics facility Corpus Christi Polymers, and ExxonMobil and SABIC's joint venture polymers plant are all in construction in the area.

"Corpus Christi, with its beautiful waterfront lifestyle, is a great place to live, and now these investments are offering new and vibrant career opportunities to our community. We are truly experiencing a transformative manufacturing re-

NESA
SOUTH CAROLINA'S BUSINESS CORRIDOR

Put Success in Your Corner

Strategically located in the northeast corner of South Carolina, the NESASouth Carolina's Business Corridor puts your business in the ideal position to succeed. With competitively priced land and building options, advantageous infrastructure, unrivaled proximity to both inland and deep-water ports, and a cost-effective workforce, your business has endless possibility on its side.

Explore the resources that await in the gem of the Southeast — visit NESASouth Carolina's Business Corridor.org or call 843-661-4669.

Some of the companies that proudly call the NESASouth Carolina's Business Corridor home

HONDA QVC GE CONBRACO SONOCO Domtar



Hebmüller Aerospace is one of Northeast Tennessee's most recent success stories. The Kaarst, Germany Business Association named the managing directors of the Hebmüller Group, Axel Hebmüller, Guido Otterbein and Mario Theissen, as Businessmen of the Year 2018.

A Soft Landing



for International Business

The East Tennessee State University Innovation Lab is a high-tech business incubator that assists aspiring entrepreneurs in developing emerging technologies from concept through commercialization.

The Innovation Lab and Northeast Tennessee Valley Regional Industrial Association (NETVRIDA) partner with organizations that share a commitment to the economic development of Northeast Tennessee and the successful integration of foreign companies into the economy. These partners provide resources that ensure foreign companies a "soft landing" into the U.S. business world.

Interested? Contact Dr. Audrey Depelteau at (423) 439-8535.

etsu.edu/ilab



INNOVATION LAB

Office of Research and Sponsored Programs

EAST TENNESSEE STATE UNIVERSITY

naissance in the region,” said Iain Vasey, President and CEO of the Corpus Christi Regional Economic Development Corporation.

Irving-Las Colinas, Texas

Irving-Las Colinas is the third-leading city in Texas for foreign direct investment. A business-friendly city government, DFW International Airport’s service to 62 international locations and being the ninth most diverse U.S. zip code drive FDI by over 150 foreign-owned companies located in this North Texas city. Named the Best Place for Jobs in 2017 and 2018 by *Forbes* as part of the Dallas-Plano-Irving MSA, Irving-Las Colinas’ FDI is representative of Belgium, Canada, Finland, France, Germany, Korea, Mexico, Switzerland, the UK and, with the largest number of companies (42), Japan.

Richardson, Texas

Home to 66 foreign-owned companies, it’s understandable that Richardson was named the “International Business Capital of North Texas” by the Texas Legislature. Richardson is a three-time winner of “Top 10 in Small Cities for fDi Strategy,” and its Soft Landing program was named “best of the best” by *fDi Magazine* for its FDI successes. Last year, Japan-based J-Goodtech SME organization chose Richardson to launch its new, nationwide Bizmatch program to match U.S. companies to Japanese small and medium-sized businesses. Additionally, Richardson works with UT Dallas’ Center for Global Business to support international small and medium enterprises establish offices in Richardson.

Other small and medium-size FDI clusters in Texas include New Braunfels, Longview, Seguin, San Marcos, Bryan, Sugar Land, Mission, McAllen, Paris, Allen, Plano, Grand Prairie, Denton, Midlothian, The Woodlands, Katy, Baytown, Conroe, Victoria and Temple.

CONTINUED



Does your community stand out in the sea of competition?

In a sea of more than 30,000 American locations competing for site selector interest and global investment, only a select few will be considered for any given development project. And only one will be chosen. How can your small to medium-sized community Stand Out? Begin with specialized economic development marketing by Marketing Alliance, Inc. From strategic branding

and messaging to dynamic 3D videos, from cost-effective web design to cutting-edge lead generating analytics, Marketing Alliance has the toolkit to help transform your community from unknown to standout star. In the last decade, our clients have realized billions of dollars in global investment. Ready for your community to Stand Out and shine? Contact us to explore how.



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VIRGINIA

Martinsville-Henry County, Va.

Over the last 25 years, companies from Canada, Germany, Israel, Sweden, the United Kingdom and, most recently, Poland have made the decision to invest in Martinsville-Henry County, Va. With a combined capital investment approaching \$200 million and the addition of almost 1,000 new jobs, the Martinsville-Henry County Economic Development Corporation has been extremely active in recruitment of foreign direct investment to southern Virginia.

The latest FDI announcement in Martinsville-Henry County was Press Glass, a Polish flat glass manufacturer that will invest \$43.6 million to establish a 280,000-square-foot manufacturing operation and create 212 new jobs. Press Glass's facility is under construction and represents the first to locate in the Commonwealth Crossing Business Centre, the county's newest 700-plus-acre advanced manufacturing industrial park.

With its low cost of living, readily available building and site options, and world-class training facilities, Martinsville-Henry County offers plenty of amenities and opportunities for a diverse range of industries. Foreign companies are not only choosing to call Martinsville-Henry County home, but continue to invest and expand in the community, demonstrating the strength of market for FDI in Southern Virginia.

Pulaski County, Va.

Pulaski County is located at the center of the Eastern Seaboard and only hours from major U.S. markets, and is positioned strategically for both domestic and international business operations. The county is already home to nine international companies that span four continents and boast direct employment of over 4,750 and growing.

The advanced manufacturing cluster of diverse foreign investment makes Pulaski County "Southwestern Virginia's Center for International Business." The county distinctly hosts an International Port of Entry (POE #1412) and a Foreign Trade Zone (FTZ #238) housed within the New River Valley Regional Airport (Virginia's seventh longest runway).

The county's professional and experienced staff understands the acute challenges and boundless opportunities that come along with foreign direct investment, and have created a unique support structure that helps international companies address such comprehensive issues as tax policies, immigration, local/state/federal incentives and programs and import/export policies. Pulaski County is a welcoming community with a tradition of proudly celebrating diversity. In addition, the Economic Development Office enjoys access to a sundry community of expats that come from all over the world. They are ready and waiting to support and help new foreign nationals come to belong and call Pulaski County, Va., their home.

Roanoke, Va.

Foreign direct investment from 19 countries and 32 companies finds the Roanoke Region of Virginia the best place for business. From Australia to Switzerland, these businesses benefit from the right assets for international investment in the urban center of Western Virginia, where there's a growing international flavor in the transportation sector. "It was Roanoke's excellent market access, higher education assets, low costs of doing business, and productive workforce that convinced us to establish our first North American production facility in this community," said Pasquale Forte, president and CEO of Italy's Eldor Corporation.

Botetourt County, Va.

Australia's Pratt Industries, the world's largest privately held, 100 percent recycled paper and packaging company, will make Botetourt County, Va., its newest home with a \$20 million investment. Pratt adds to 11 international companies and an already strong packaging sector operating in this picturesque county in the Roanoke metro area.

Strategically located along interstate I-81, Botetourt offers commercial air service, 350,000-plus skilled workers and strong infrastructure. Jeff Bieber of Pratt said, "This is a great area with pro-growth attitudes, a strong workforce and numerous opportunities."

Loudoun County, Va.

Loudoun County, one of America's fastest growing com-

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f t y u

Over the last 25 years, companies from Canada, Germany, Israel, Sweden, the United Kingdom and, most recently, Poland have made the decision to invest in Martinsville-Henry County, Va. Shown here is Poland-based Press Glass.



munities, is a key player in the global economy. Located 30 minutes outside of Washington D.C., the home of Dulles International Airport has attracted more than \$1 billion in foreign investment in the past decade. Tech companies from Asia to Europe benefit from the largest concentration of data centers in the world and a highly skilled workforce. German pharmaceutical company Bioground picked Loudoun for “its great support, lifestyle and perfect infrastructure.” Rehau executive Christian Fabian called Loudoun “an ideal location for our Americas headquarters and employees.”

Culpeper, Va.

Culpeper is a hub of commerce and culture nestled between Charlottesville and Washington. It is a relaxed and elegant location for foreign direct investment. Culpeper is home to Continental Corporation, headquartered in Germany; Euro Composites, headquartered in Luxembourg; SWIFT (Society for Worldwide Interbank Financial Telecommunication), headquartered in Belgium; and TE Connectivity (TEC), headquartered in Switzerland.

These companies have prospered along with the community over the past several decades. SWIFT has been there over 10 years, Euro Composites over 25 years, Continental over 40 years and TEC recently purchased Rochester Wire that has been in Culpeper over 70 years.

Other small and medium-size FDI clusters in Virginia include Danville, Newport News, Wythe County, Montgomery County and Chesapeake. ☘

*When we welcome
a foreign company
to Pulaski County,
we always say,*

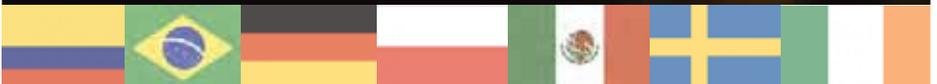
“Cheers!”

*in their native tongue.
We look forward
to toasting with you!*



INTERNATIONAL BUSINESS

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TOP DEALS

The American South's 10 largest new or expanded manufacturing and selected non-manufacturing job announcements



ANNOUNCEMENTS MADE IN THE WINTER 2019 QUARTER

Development	Jobs	Investment*	N/E/R**	Location	Description
1. SmileDirectClub	2,000	\$217	E	Nashville, Tenn.	Orthodontic services
2. Progressive	1,500	N/A	E	Tampa, Fla.	Insurance
3. WellCare	1,000	N/A	E	Tampa, Fla.	Insurance
4. Progressive	1,000	N/A	E	Austin, Texas	Insurance
5. FedEx	700	\$48	E	Memphis, Tenn.	Logistics
6. JNJ Express	610	\$83	R	Memphis, Tenn.	Headquarters
7. Pentagon Federal	600	\$48	N	San Antonio, Texas	Financial services
8. The Results Co.	600	\$2	E	Chesterfield, Co., Va.	Call center
9. GenCure	600	N/A	N	San Antonio, Texas	Biotech
10. Cuisine Solutions	500	\$120	N	San Antonio, Texas	Food
BioIQ	500	\$5	R	Cobb County, Ga.	Healthcare IT
Accenture	500	\$5	E	San Antonio, Texas	Financial services
Arrive Logistics	500	\$4	E	Chattanooga, Tenn.	Logistics
Cognizant	500	N/A	E	Plano, Texas	IT services

*Investment in millions **N=New, E=Expansion, R=Relocation

Source: RandleReport.com

SOUTH CAROLINA'S WESTERN REGION

AIKEN, EDGEFIELD, SALUDA & MCCORMICK COUNTIES



MAKE IT HERE. SEND IT ANYWHERE.

- Total population of 581,000 and workforce population of 263,000 within 30 miles
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- Regional wastewater system with over 7 MGD available
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