

Full Speed Ahead for Advanced Manufacturing in the Southeast

Advanced manufacturing encompasses the nation's "tech" sector at its broadest and most consequential. It represents a sizable economic anchor for the U.S. economy and has led the post-recession employment recovery.

Although the United States remains a global technology leader, retaining its innovation leadership has become a long-term concern – a challenge that the Southeastern U.S. is ready to tackle.

Most of the states in the U.S. Southeast are consistently ranked amongst the top 15 for advanced manufacturing. Their competitiveness stems from a strong and highly skilled workforce, low costs of doing business and logistics advantages.



Workforce Training

According to Deloitte and the Council of Competitiveness, one of the top challenges to the U.S. manufacturing industry in 2015 was a significant talent shortage and widening skills gap. Georgia leads the Southeast in workforce training as the home to some of the world's top research and technology resources. A division of the Georgia Department of Economic Development, Georgia has six centers of innovation readily available to businesses: aerospace, agribusiness, energy, life sciences and information technology, logistics and manufacturing.

Additionally, Georgia's Quick Start program is internationally recognized as one of the best in the world, providing customized workforce training free of charge to qualified businesses in Georgia, including for advanced manufacturing companies. A compliment to Georgia's 24 technical colleges, the Georgia Institute of Technology (Georgia Tech) in Atlanta is internationally known as a premier engineering school. The U.S. News and World Report consistently ranks Georgia Tech as one the country's best. It also helps that Georgia Tech graduates more engineers than any other university in the United States. Tennessee, Mississippi, South Carolina and Florida also offer robust workforce training programs relating to advanced manufacturing. Florida in particular was ranked 4th in the nation for high-tech employment by CompTIA, boasting nearly 237,000 high-tech workers and the nation's 3rd largest workforce.

Business Climate

Each state in the Southeast provides an optimal business climate for advanced industries. Advanced manufacturing companies in Georgia are often eligible for a variety of tax credits and sales tax exemptions. South Carolina offers abundant tax exemptions for corporate income, property and sales taxes, and many others. Florida is consistently ranked as one of the best states for business, and the state is committed to keeping regulatory requirements and business taxes low. Mississippi also offers key advantages,

including the third-lowest union membership rate in the nation, a top 5 ranking for speed of permitting and a top 10 ranking for competitive utility rates. In Alabama, corporations benefit from low sales and income tax rates, affordable utilities, and an extremely low cost of living.

Logistics Advantages

Manufacturers are never far from their markets with the superior transportation infrastructure in the Southeast. Georgia and Florida have one of the world's most extensive multi-modal transportation systems, featuring international airports, major shipping ports, extensive highway and rail networks and multiple hubs that allow for high-speed data transmission from around the U.S. to Europe, Latin America and Africa. The seamless connection of Georgia's logistics infrastructure offers businesses a significant competitive advantage and is the reason why Georgia was ranked the No. 2 state for infrastructure and global access (*Area Development* magazine, 2015). Mississippi also boasts a robust transportation network, ranked the eighth best in the nation in 2014. Furthermore, Tennessee helps ensure efficient and timely delivery of their manufactured goods as the home to the second busiest cargo airport in the world, the third largest rail center in the U.S. and the nation's fourth largest inland port. No matter where you are in the Southeast, two-thirds of the nation's population is just a 1-2 day drive away.

Each state in the Southeast is reaping the benefits from these advantages:

- Over the last five years, **Tennessee** ranks in the Top-10 for the largest percentage increase in the United States in manufacturing GDP, which reached \$46.5 billion in 2016, 16 percent of the state's total GDP.
- **South Carolina** now leads the nation in the export sales of tires, passenger vehicles and roller and ball bearings. The state's advanced manufacturing industry has also been growing at a record pace. Since 2011, the number of manufacturing jobs has increased by nearly 16%.
- **Georgia's** advanced industries produce integrated goods that are traded all over the world. The most technologically advanced goods, from plastics to aerospace products, precision parts and automobile production contribute to the state's \$453 billion in gross state product.
- **Mississippi** is home to the largest transformer manufacturer in the United States in addition to Hybrid Plastics, one of the Top-10 nanotechnology companies. Additionally, seventy percent of the U.S. Navy's fleet of warships was made in Mississippi.
- **Alabama:** Over 300 aerospace companies from more than 30 different countries have chosen Alabama, including industry giants such as Airbus, Boeing, Lockheed Martin, GE Aviation, Raytheon and GKN Aerospace. Vehicles have become

Alabama's No. 1 export, with shipments to more than 85 nations around the world every year.

- **Florida** companies manufacture everything from airplanes to zircon. The Sunshine State has over 19,000 manufacturers employing more than 331,000 workers.

Advanced manufacturing encompasses the country's best shot at supporting innovative, inclusive, and sustainable growth. COGNEGY has worked with foreign companies in many advanced industries who want to enter the U.S. marketplace, including the chemical, IT, engineering and manufacturing industries. COGNEGY's Atlanta, GA headquarters, staff of C-level executives and their extensive experience provides foreign firms with a trusted partner well versed in the local business climate to map out a customized plan for corporate growth.

Please contact COGNEGY with any questions you might have: e-mail phil.jafflin@cognegy.com or call +1 (404) 917-7100 extension 903