



2014 ACTIVITY REPORT



South Carolina
Department of Commerce

Just right for business.



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MESSAGE FROM THE SECRETARY

Dear Friends and Economic Development Allies:

Working with our partners as "Team South Carolina," our state continues to strengthen our economy by attracting world-class companies while providing our existing businesses – of all sizes – an environment in which they can thrive. The hard work over the past four years is starting to pay off, as these efforts are making a tangible difference in communities across South Carolina.

Our state has solidified its place as a manufacturing powerhouse, leading the Southeast region in manufacturing job growth since 2011. In 2014, we built on this track record and continued to diversify our development strategy by focusing on the recruitment of agribusiness, life sciences and service-related companies.

Major announcements from marquee company names like BMW, Toray, Esurance, LPL Financial and Giti Tire helped drive our state to post another solid year for capital investment in 2014, topping \$5 billion for the second year in a row and for the third time in four years. From January to December, the Palmetto State closed 146 economic development projects, infusing \$5.088 billion into the state's economy and recruiting more than 19,000 new jobs to our workforce. As further proof of South Carolina's manufacturing stronghold, the state's manufacturing sector is creating 55 percent of the new jobs and contributing 92 percent of the capital investment that Commerce recruited last year.

Recognizing that small business is the backbone of our economy, Commerce has continued to bolster our efforts aimed at small and startup businesses. Last year, we provided one-on-one assistance to more than 760 small businesses, connecting them to contract opportunities and potential lenders to grow their businesses. And the state's Office of Innovation awarded more than \$2 million in the first round of grants to organizations geared toward growing South Carolina's tech and entrepreneurial base.

We have accomplished much in the last four years, and we are continuing to build our reputation as a state that is 'Just right' for business. We remain committed to moving South Carolina forward, attracting investment from around the world and adding new jobs to our state's economy.

Warm Regards,

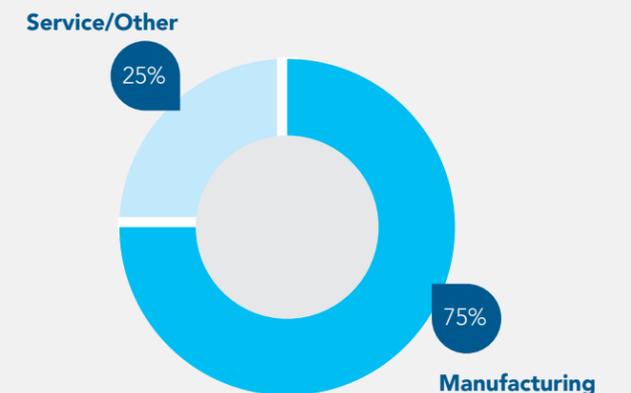
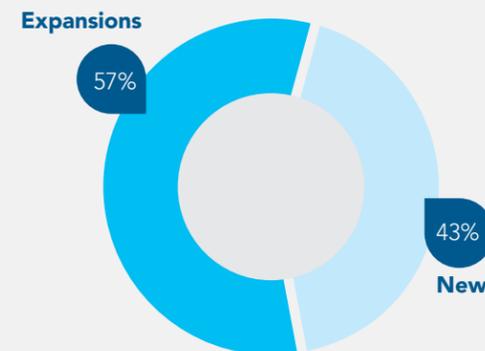
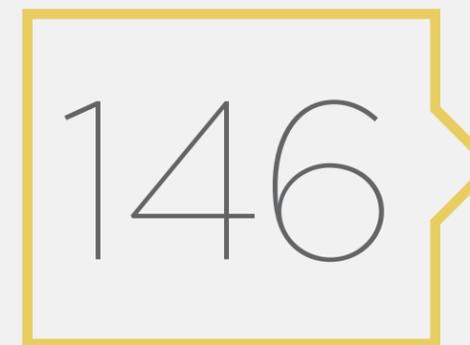


Robert M. Hitt III

2014 AT A GLANCE



Recruited Projects



TOP 10 ANNOUNCEMENTS OF 2014

TOP 10 Job Announcements

	COMPANY	JOBS CREATED	COUNTY
1.	LPL Financial Holdings	3,000	York
2.	The Lash Group, Inc.	2,400	York
3.	Giti Tire Holdings (USA) Ltd.	1,700	Chester
4.	BMW Manufacturing Co., LLC	800	Spartanburg
5.	Medac Inc.	615	Aiken
6.	Toray Carbon Fibers America, Inc. (CFA)	500	Spartanburg
7.	Ruiz Food Products, Inc.	500	Florence
8.	Esurance	450	Greenville
9.	Wyman-Gordon	400	Dillon
10.	iQor US Inc.	320	Dorchester

TOP 10 Capital Investments

	COMPANY	INVESTMENT	COUNTY
1.	BMW Manufacturing Co., LLC	\$1,000,000,000	Spartanburg
2.	Toray Carbon Fibers America, Inc. (CFA)	\$1,000,000,000	Spartanburg
3.	Giti Tire Holdings (USA) Ltd.	\$560,000,000	Chester
4.	GE (Greenville) Power & Water	\$400,000,000	Greenville
5.	Haile Gold Mine, Inc.	\$353,000,000	Lancaster
6.	LPL Financial Holdings	\$150,000,000	York
7.	Portucel, S.A.	\$110,000,000	Greenwood
8.	The Ritedose Corp.	\$110,000,000	Richland
9.	The Lash Group, Inc.	\$90,000,000	York
10.	Procter & Gamble - Duracell	\$69,000,000	Lancaster

FOREIGN-DIRECT INVESTMENT

	COUNTRY	CAPITAL INVESTMENT	JOBS RECRUITED
	Germany	\$1,331,006,010	1,797
	Singapore	\$560,000,000	1,700
	Japan	\$853,700,000	771
	Canada	\$395,054,900	521
	France	\$25,000,000	375
	Ireland	\$16,500,000	250
	Sweden	\$79,000,000	130
	United Kingdom	\$15,445,000	110
	Italy	\$17,200,000	80
	China	\$6,600,000	59
	Finland	\$2,871,000	40
	Switzerland	\$29,500,000	28
	Turkey	\$3,100,000	17
	Brazil	\$7,700,000	14
	Foreign Total	\$3,342,676,910	5,892
	United States	\$1,745,543,714	13,128
	Grand Total	\$5,088,220,624	19,020

TOP "14" ACCOMPLISHMENTS

NO. 1

Recruitment tops \$5 billion. For the second year in a row, and for the third time in four years, business recruitment in South Carolina surpassed the \$5 billion mark. Companies deciding to locate to or expand in the state in 2014 are contributing \$5.088 billion in investment over the next several years, while creating 19,020 new jobs. Since the state began recording all Commerce-related projects, annual recruitment reached \$5 billion for the first time in 2011.

8

Bringing jobs to rural SC.

In 2014, 30% of jobs recruited to the state were located in Tier III or IV counties, which are considered the state's most economically distressed. This share of new jobs is higher than the previous year, when around a quarter of jobs recruited were in rural areas.

13

Making workforce connections in schools.

2

Tire Capital, USA. In 2014, the state added two tire OEMs to its roster of tire brands, and is now home to four out of the top 10 global tire manufacturers. Tire production is on a roll, with an estimated 89,000 tires made in SC daily, positioning the state as the top producer and exporter of tires nationally.

6

Opening doors to exporting. Building on the successful STEP program using federal grant dollars, Commerce established in 2014 its own export program: South Carolina Opportunities for Promoting Exports, or SCOPE. By helping small businesses find agents and distributors in foreign countries, the state aims to expand the kinds of companies that participate in export activities.

9

Boosting small business. Continuing its focus on small business assistance, Commerce's Small Business Development office provided assistance to 767 small businesses last year, providing resources, connecting business owners to lenders and linking up service providers with industry through supplier events.

The state's 12 Regional Education Centers officially became part of the Department of Commerce in 2014. The RECs work to connect educators, students and their parents to the job opportunities and training required for the in-demand careers in their own backyards.

3

Leading the Southeast in manufacturing job growth. Long considered a manufacturing powerhouse, South Carolina leads the Southeast region in manufacturing job growth. From January 2011 through December 2014, manufacturing employment in the state grew 13.5%, well ahead of competing states in the Southeast region.

10

Recycling making a green impact. Going green in South Carolina means more green for the state's economy, according to a study by economist Dr. Frank Hefner. The recycling industry doubled its impact on the state in 8 years, and now brings an estimated \$13 billion boost to the economy each year.

14

4

Record day of announcements. Gov. Nikki Haley joined business leaders along the I-77 corridor on June 16, 2014 to celebrate a record-setting day of announcements. Giti Tire, LPL Financial and the Lash Group revealed their plans for new facilities in Chester and York counties, for a combined \$800 million in new investment and 7,100 new jobs – the most announced in a single day in SC history.

7

Innovating the economy. After establishing the state's Office of Innovation in late 2013, Commerce began its work to bolster South Carolina's innovation ecosystem. The office announced in May its first round of grants awarded through the South Carolina Innovation Challenge, which directed \$2.4 million in state dollars toward 14 organizations in 11 counties of the state.

11

More counties get Work Ready certified.

After launching the program in 2013 as one of only four pilot states, 21 additional counties earned status as Work Ready Communities in 2014. Now, nearly half of SC's counties are certified.

Team South Carolina winning here at home.

Commerce continued to foster a collaborative economic development environment among various players that recruit business and jobs to state. By working together, Team South Carolina is promoting the Palmetto State as being 'Just right' for business.

5

Welcoming new companies to SC. While expansions of existing companies traditionally outpace new locations, in 2014, new companies recruited to the state comprised more than half of investment and new jobs committed to SC. These new investments are key to wealth creation in South Carolina's economy.

12

Aerospace industry takes flight. A new report showed the state's civilian and military aerospace sector provides \$17 billion in economic output and supports over 100,000 jobs statewide; Commerce partnered with the South Carolina Council on Competitiveness and others on the first annual Aerospace Industry Day.

SUPPORTING SMALL BUSINESS

Building on its focus of providing resources for small businesses in the state, Commerce's Small Business team provided **direct, one-one-one assistance to 767 small businesses, located in 40 of the state's 46 counties**

in 2014. Commerce staff helped small business owners navigate resources like financing, new markets, contracts, business planning, regulatory issues and workforce needs.

Buy South Carolina, the state's supplier database, expanded participation by 28% in 2014. As of December, Buy South Carolina had 387 businesses registered.

To address small business financing issues, and in cooperation with allies, Commerce continued its successful **Lender Matchmaking** events. Lenders and small business owners gathered for day-long events with the goal of successfully matching small businesses with financial institutions. During the 2014 series, 53 small businesses met with 42 lenders for specific matchmaking opportunities.

South Carolina was one of 24 states to receive a third round of funding from the U.S. Small Business

Administration's **State Trade and Export Promotion (STEP)** program. The program helps small to medium size companies grow internationally. Since 2011, Commerce has assisted 62 small and medium-sized enterprises enter 24 international markets with \$4.7 million in export sales. In addition, the **South Carolina Opportunities for Promoting Exports (SCOPE)** program was created to further help SC businesses grow internationally.

Commerce, along with other trade partners, held **7 export training workshops** throughout the state, resulting in 79 businesses trained.

Additionally, Commerce organized **2 international trade and investment missions** in 2014. One was to help introduce South Carolina small businesses to buyers in India, and the other was an investment-focused mission to Canada.

As part of Commerce's Office of Innovation, last year 14 organizations in 11 counties were awarded \$2.4 million in grant funding through the first-ever **South Carolina Innovation Challenge**. Programs in the state supporting the growth of entrepreneurs, high-tech and high-growth companies were eligible to receive up to \$250,000 in grant funds, along with a local match, to help move the needle in making South Carolina a top place to startup, grow and expand innovative ideas and companies.



Small Business
Resources
Available Online
SCBizNetwork.com

24/7

97%

of all private
employers in SC
have 100 or fewer
employees

EXPORT ACTIVITY



2014 was a record export year for South Carolina, with more than \$29.7 billion in goods sold around the world. This was the fifth year in a row for record exports.

#1

Ranked 1st in exports of tires, holding 30% of the market share in U.S.-made, exported tires, for the fourth year in a row.

Ranked 1st in exports of finished cars to the world. Vehicles were the state's top individual export commodity.

↑ Figures represent a more than 13% increase over 2013, representing the **highest growth among Southeastern states.**

↑ South Carolina's top export industries last year were **vehicles, gas turbines, tires and aircraft.**

↑ **China** remained South Carolina's top export partner after surpassing Germany for the first time in 2013.

STRENGTHENING COMMUNITIES IN OUR STATE

The **Community Development Block Grant** program awarded \$19.0 million to assist with community development, economic development and revitalization that will benefit more than 52,100 residents of 42 communities.

In its 24th year, the **South Carolina Rural Summit**, produced by Commerce's Small Business and Rural Development Division, brought together leaders from the state's rural communities for a day of sharing ideas, experiences and practical knowledge to improve rural South Carolina.

In another event, Commerce acknowledged the contributions of business and community leaders from all 46 counties during the annual **Industry Appreciation Week**. These Ambassadors for Economic Development represent industry, local businesses,

community leaders and elected officials who are making a difference in South Carolina related to economic development and job creation.

In 2014, **South Carolina's recycling industry** added \$155.6 million in capital investment and 586 newly created jobs from 9 companies either locating to or expanding in the state.

South Carolina has 500 recycling-related businesses with 21,000 jobs linked to the state's recycling industry. Recycling's supply chain includes collectors, processors, end-users, remanufacturers and reuse establishments and recycling equipment manufacturers. Many of the end-users are large-scale enterprises, employing thousands of South Carolinians.

Recycling brings a "green" impact to the state in more ways than one. Here are the ways that the recycling industry boosts South Carolina's economy each year:

\$13 BILLION
total economic impact – double the impact of \$6.5 billion in 2006

- 54,121 jobs, up 44 percent from 37,440 impacted jobs eight years ago
- \$2.7 billion in labor income, up 80 percent from the 2006 report
- \$329 million in state and local taxes



WORKFORCE DEVELOPMENT

Ensuring a skilled workforce now and in the years to come is a top priority to South Carolina.

To that end, Commerce partners with the **South Carolina Technical College System**, via **readySC[®]** and **Apprenticeship Carolina**, to support workforce training and recruiting, and also with the **South Carolina Department of Employment and Workforce**, which provides worker training and employment opportunities within the state.

Regional Education Centers:

In 2014, the state's 12 **Regional Education Centers** (RECs) officially became part of the Department of Commerce. Through Personal Pathways to Success, the RECs work to connect educators, students and their parents to the job opportunities in high demand in their own backyards.

Work Ready Communities:

South Carolina was chosen as one of four pilot states to participate in this national initiative linking education and workforce development to the economic needs of the state.

All 46 counties are participating in the certification program. Clarendon County was the first county in the state – and only the second in the nation – to become a Certified Work Ready Community in 2013. In 2014, 21 additional counties earned status as Work Ready Communities, so that nearly half of the state's counties were certified by the end of the year. Counties earning certification in 2014 included: Abbeville, Allendale, Anderson, Bamberg, Beaufort, Berkeley, Cherokee, Colleton, Dorchester, Edgefield, Fairfield, Florence, Greenwood, Laurens, Marlboro, McCormick, Newberry, Pickens, Saluda, Sumter and Williamsburg.



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