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South Carolina Department of Commerce

1998 Annual Accountability Report

I. Transmittal Message:

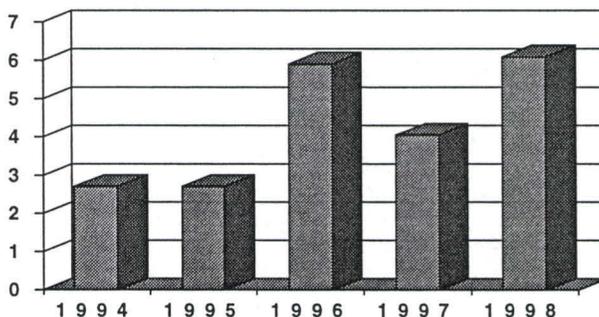
The South Carolina Department of Commerce is the State's marketing arm and sales force. Every aspect of the Department's Operations are tuned to accomplish this one task. Our mission statement, as further stated below, was developed by a wide variety of interests, working together over a period of several months, to develop a Strategic Plan entitled **Approaching 2000: An Economic Development Vision for South Carolina.**

Major strategic goals set forth in that plan have resulted in specific work plans with targets and accomplishments as summarized in our Annual Report to the Legislature. The crux of that report is attached to this document as an Appendix. All data in that Appendix, unless otherwise stated, is on a calendar year basis.

II. Executive Summary:

As a marketing and sales group, we measure our results based on sales. South Carolina in Calendar 1997 achieved a third consecutive year of \$5+ billion in capital investment and set at least six new economic development records, including most new jobs, most expansions and the most capital invested by new companies. Data for Fiscal Year 1998 maintains this continued positive trend as capital investment for F/Y 1998 reached a record \$6,095,000,000.

South Carolina Department of Commerce
Total Capital Investment by Fiscal Year
(amounts in billions)



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South Carolina's economic growth last year was fueled by new investments by such manufacturing giants as Bridgestone/Firestone and Norbord, as well as expansions by companies such as BMW, DuPont, Robert Bosch and many others. In all, more than 1,300 firms invested in South Carolina during fiscal 1997-98, the most in state history.

Together, these achievements and many others constitute what is easily the most successful and prosperous period in South Carolina's economic development history.

III. Mission Statement:

In 1995, Governor David M. Beasley and Secretary of Commerce Robert V. Royall, in conjunction with representatives of state government, the private sector and the education community, developed the state's first comprehensive plan for economic development. This plan, entitled Approaching 2000: An Economic Development Vision for South Carolina, was designed to achieve one mission:

“To increase the wealth of South Carolina's citizens -- particularly as measured by per capita income and the number and geographic distribution of well-paid jobs -- in a manner that supports and enhances a high quality of life.”

Approaching 2000 is based on a very simple philosophy: **Business, not government, creates wealth.** Government's role in economic development should be limited to creating an environment where businesses can create wealth, where businesses can maximize competitiveness and profitability and in turn create opportunity for new employment growth.

That means creating tax policies that reward companies for growing; building an infrastructure system that help businesses operate without interruption; creating worker training programs to make sure businesses have well-trained employees; and reducing red tape and government regulations that make it difficult for companies to focus on their operations.

In the years since the plan was introduced, South Carolina has proved that Approaching 2000's vision of statewide economic growth and prosperity is achievable and that the plan's focus on cooperation and coordination at all levels is key to earning optimum growth and prosperity.

Programs:

Economic Development - while the Department of Commerce operates several "programs", all of them support one overall mission and all emphasis is on one program and that is economic development. Some of our workload indicators represent a single departments efforts, but they are generally meaningless effort unless taken in the context of the overall structural design of the economic development program. The goals section as shown in the appendix is more meaningful than our organizational breakdown by department.

Program Goals:

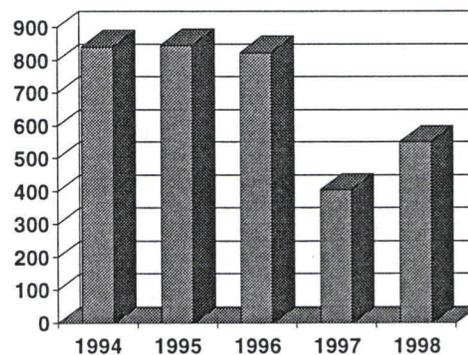
See Appendix for program goals and achievement criteria. All data therein is on a calendar year basis and comes from the Agency's Annual Report .

Performance Measures:

Workload Indicators: (FY98)

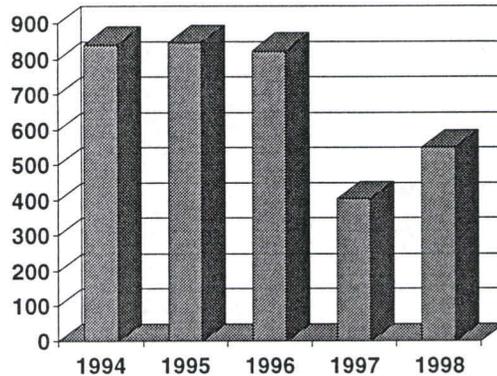
- Conducted 550 liaison visits to existing state industries

South Carolina Department of Commerce
Industry Liaison Visits Per fiscal Year



- Conducted 530 community development meetings

South Carolina Department of Commerce Industry Liaison Visits Per fiscal Year

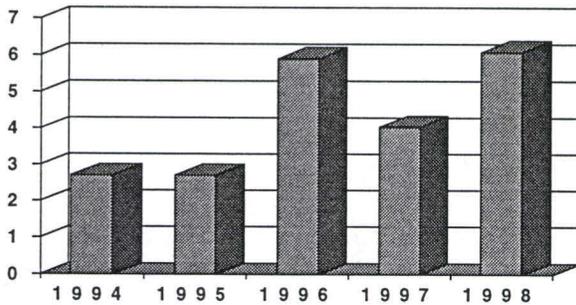


- Provided advice to Governor and Legislature on programs and legislation to improve business climate and competitiveness
- Provided training to 320 local officials through the Economic Developers School.
- Conducted Governor's Rural Summit with 300 community leaders participating
- Published annual reports on economic activity including announced capital investments and employment
- Compiled and published S.C. Industrial Directory
- Conducted strategic research for targeted marketing program
- Participated in 8 export trade shows
- Hosted 2 foreign buying missions
- Rendered export assistance to 1000 SC companies
- Developed and disseminated 1400 export trade leads
- Conducted 8 domestic marketing trips
- Conducted 5 international marketing missions
- Initiated 250 new projects
- Provided 640 written proposals to prospects
- Conducted 550 community visits with prospects

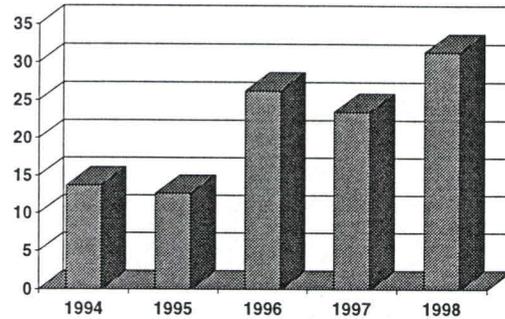
Effectiveness Measures: (FY98)

- 1333 firms committed to new capital investment in the amount of \$6,095,049,648 with projected additional employment of 31,383 jobs averaging \$30,068 each in annual salary

South Carolina Department of Commerce
Total Capital Investment by Fiscal Year
 (amounts in billions)

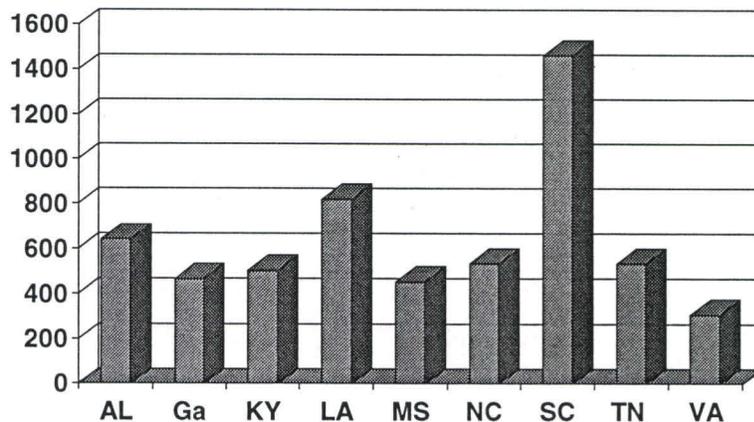


South Carolina Department of Commerce
Total Jobs Created by Fiscal Year
 (amounts in thousands)



- Among the 17 states in the Southern Economic Development Conference (SEDC), South Carolina ranked first in per capita investment and second in total investment (most recent data is Calendar Year 1997). The SEDC region of the country includes all of our direct competitors in the Southeast, as well as most of the states included in the region known as the Sunbelt and stretches from Maryland to Florida to Oklahoma.

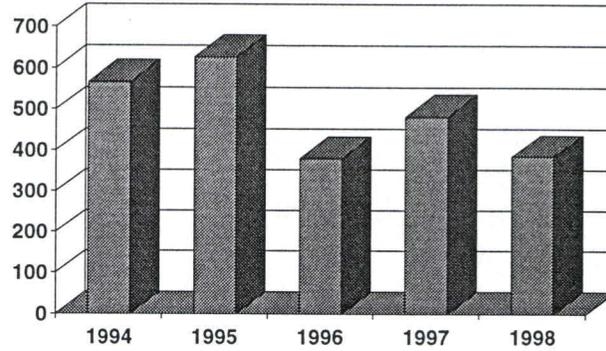
South Carolina Department of Commerce
Capital Investment on a Per Capita Basis
 (Southeastern States - 1997)



Efficiency Measures: (FY98)

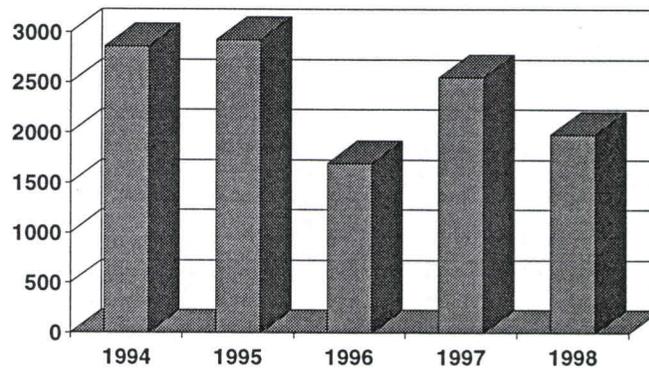
- \$385 of general fund revenue invested per new job announced

South Carolina Department of Commerce
**General Fund Dollars Spent
Per Job Created**



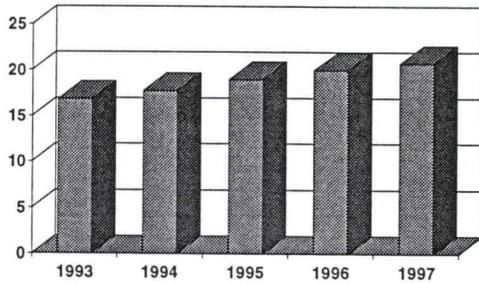
- \$1,983 of general fund revenue invested per million dollars of announced capital investment

South Carolina Department of Commerce
**General Fund Dollars Spent Per
Million Dollars of Investment Created**



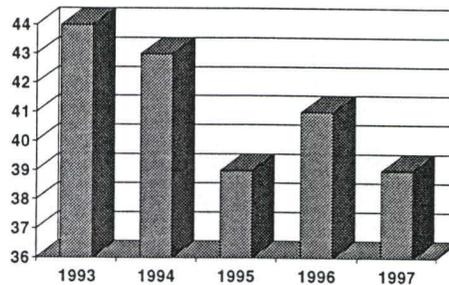
- 4.3% increase in per capita income from \$19,898 to \$20,755 (1997) (most recent data) State Ranking - 39th Nationally out of 51 reporting jurisdictions

South Carolina Department of Commerce
Per Capita Income by Calendar Year
(amounts in thousands)



Source: US Department of Commerce

South Carolina Department of Commerce
Per Capita Ranking Among 51 Reporting Jurisdictions



Source: US Department of Commerce

APPENDIX ATTACHED:

Note - All data in the Appendix is based on Calendar Years unless otherwise shown and is current through the end of Calendar Year 1997.

THREE-YEAR PERFORMANCE UNDER *APPROACHING 2000*

In 1995, Governor David M. Beasley and Secretary of Commerce Robert V. Royall, in conjunction with representatives of state government, the private sector and the education community, developed the state's first comprehensive plan for economic development. This plan, entitled *Approaching 2000*, was designed to achieve one mission:

"To increase the wealth of South Carolina's citizens -- particularly as measured by per capita income and the number and geographic distribution of well-paid jobs -- in a manner that supports and enhances a high quality of life."

Approaching 2000 is based on a very simple philosophy: Business, not government, creates wealth. Government's role in economic development should be limited to creating an environment where businesses can create wealth, where businesses can maximize competitiveness and profitability and in turn create opportunity for new employment growth.

That means creating tax policies that reward companies for growing; building an infrastructure system that help businesses operate without interruption; creating worker training programs to make sure businesses have well-trained employees; and reducing red tape and government regulations that make it difficult for companies to focus on their operations.

In the three years since the plan was introduced, South Carolina has proved that *Approaching 2000's* vision of statewide economic growth and prosperity is achievable and that the plan's focus on cooperation and coordination at all levels is key to earning optimum growth and prosperity. In the three years since the plan was introduced, South Carolina has announced:

- ◆ \$16.5 billion in capital investment
- ◆ 79,238 new jobs
- ◆ \$13.5 billion in investment by existing industries
- ◆ \$4.4 billion in new investment in rural South Carolina, creating 24,821 new jobs

- ◆ \$6.2 billion in investment by international companies, creating 17,265 new jobs

These successes were the result of the combined efforts of the SC Department of Commerce, its economic development allies, the General Assembly and Governor David Beasley as they all worked to achieve the four strategic goals outlined in *Approaching 2000*:

1. To provide an exceptional climate for economic development.
2. To increase the wealth-generating capacity of South Carolina's business base.
3. To ensure that the benefits of increased wealth are realized across all regions of the state.
4. To ensure that development of South Carolina's economic resources keeps pace with the needs of its businesses.

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STRATEGIC GOAL #1

TO PROVIDE AN EXCEPTIONAL CLIMATE FOR ECONOMIC DEVELOPMENT

A strong business climate is essential to South Carolina because it influences how much time and energy companies spend dealing with non-operational distractions instead of building their businesses. This, in turn, plays a key role in whether or not those companies are able to prosper, grow and create more opportunities for the state's citizens.

Strategic Goal #1 recommends that the state determine indicators for evaluating the quality of South Carolina's business climate. It further recommends that the state establish a system to monitor those factors and evaluate whether or not its business climate is one that enables companies to achieve their potential in terms of productivity, competitiveness, profitability and growth.

Perhaps the most compelling endorsement of South Carolina's business climate can be seen in the amount of capital invested by the manufacturers already located here.

In 1997 alone, existing industries invested \$4,110,669,000 – roughly 75 percent of the investment total – in South Carolina. Since *Approaching 2000* was introduced in early 1995, the state's existing industries have invested approximately \$13.5 billion.

MONITORING THE STATE'S BUSINESS CLIMATE

BUSINESS CLIMATE SURVEY

To help the state identify its strengths and weaknesses as a business location, the SC Department of Commerce in 1997 created the Business Climate Survey.

The annual Business Climate Survey evaluates the level of satisfaction of existing businesses in South Carolina. Through a survey of over 4,000 industries, it measures the attitude of over 60 percent of the state's manufacturers in specific categories of business resources, including labor, infrastructure, regulations and taxes.

THE BUSINESS CLIMATE INDEX

Also in 1997, the Department introduced the Business Climate Index, which evaluates South Carolina's business climate relative to other states in the Southeast.

The Index measures such factors as growth and development, cost of doing business, quality of life, and the quality of the state's education, work force and infrastructure. The Index also establishes a benchmark against which to measure future change.

The Department of Commerce will use the Index and Survey to help the public, the General Assembly and local developers identify successful development programs, as well as those areas in need of policy revision. For example, if the Business Climate Index pointed out that South Carolina's business taxes were not competitive with those in neighboring states, the General Assembly could then move to pass tax reform legislation. The Business Climate Survey would help legislators and developers determine whether or not that legislation had a positive impact on the state's business climate.

CORPORATE VISITATION PROGRAM

Under this program, four Commerce staffers travel throughout the state and visit corporate executives to talk about business conditions in general. During these visits, these field representatives ask questions about expansion plans, export opportunities, general business conditions, buyer/supplier resources and problems and concerns. They also discuss incentives, training programs and new legislation that apply to the companies.

During 1997, Commerce's field agents called on 525 industries throughout the state. Overall, these calls revealed a general satisfaction with business conditions in South Carolina. Eighty percent of those manufacturers described the state's business conditions as "good," while only 7 percent said conditions were "bad." Almost 13 percent said they were "indifferent."

During these visits, Commerce's field agents received 381 requests for some kind of assistance related to labor and regulatory issues, expansions, buyer/supplier issues and export opportunities.

STRATEGIC GOAL #2

TO INCREASE THE WEALTH-GENERATING CAPACITY OF SC'S BUSINESS BASE

Strategic Goal #2 mandates that the Department of Commerce help the businesses already located here become more competitive and profitable. Toward this end, the plan makes three specific recommendations:

1. Strengthen and develop the state's economic "clusters," which are groups of companies with shared business relationships.
2. Establish a program to help the state's businesses capture the benefits of globalization; that is, to help recruit new international companies to the state and help the state's existing companies find customers in overseas markets.
3. Strengthen the state's base of technology.

Again, the amount of capital invested by existing industries during the past three years -- \$13.5 billion -- suggests that the state has done a good job promoting growth and expansion among the businesses located here. Following are a few of the initiatives that have helped spur this growth.

CLUSTER DEVELOPMENT

Industry clusters are groups of companies within industry sectors that share business relationships. These companies work together to gain strategic long-term benefits and create competitive advantages to expand the economy throughout South Carolina. The Department of Commerce has identified nine clusters:

- Textiles & Fiber
- Chemicals
- Capital Equipment
- Plastics
- Transportation Equipment
- Forest Products
- Information Technologies
- Health-Related Products and Services
- Environmental and Energy-Related Technologies

The SC Department of Commerce's cluster strategies are helping to identify constraints that affect the competitiveness of these industry groups and to implement industry-specific solutions that will lead to their expansion and increased profitability.

Working with Enterprise Development, Inc. (EDI), the Department has begun active cluster projects with the plastics, software and wood products clusters. One other cluster group will be added in early 1998. Four cluster strategies will be completed by June 30, 1998.

CAPTURING THE BENEFITS OF GLOBALIZATION

INTERNATIONAL INVESTMENT

International investment is a priority in South Carolina for many reasons:

1. The international marketplace offers tremendous growth potential in terms of new capital investment and job creation.
2. International investment promotes the importation of new wealth from outside the state, rather than re-circulating existing wealth.
3. International investment typically is marked by well-paying jobs.
4. International investment adds substantially to the "knowledge content" of the state's economy, making it increasingly attractive to a widening range of high-tech, high value-added companies.

During 1997, a record-high 233 international firms invested \$2.1 billion and created 5,977 new jobs in South Carolina.

INTERNATIONAL TRADE DEVELOPMENT

One of the best ways to help businesses become more competitive and profitable is to help them locate new customers. This is why *Approaching 2000* places so much importance on international trade development.

1997 was an extremely active year for the Department of Commerce's International Trade Division. Division staffers attended five trade shows during 1997, in Cologne, Germany; Poznan, Poland; Munich, Germany; and Johannesburg, South Africa. Thirty-four companies participated in these trade shows; of these companies, seven sent representatives and 27 sent marketing collateral and samples to be exhibited by Commerce staffers. These shows generated an estimated 1,260 trade leads for South Carolina companies.

Last year also marked the first time in history that a South Carolina Governor led a trade mission, as Governor David M. Beasley and Secretary of Commerce Robert V. Royall led a 15-member trade delegation to South Africa.

Also during 1997, the International Trade Division handled approximately 1,800 requests for general assistance from companies interested in exporting their goods and services. In addition, the Division hosted nine international delegations and buying groups from Slovakia, Italy, Russia, Sweden, Romania, the Ukraine, Turkey, Brazil, Korea, Taiwan and Japan.

ANNUAL EXPORT FIGURES	
1994	\$5.38 billion
1995	\$6.56 billion
1996	\$6.70 billion
1997	\$7.50 billion

EUROPEAN OFFICE

To help South Carolina's businesses boost sales in international markets, the Department of Commerce in 1996 established two permanent trade positions in South Carolina's European office in Frankfurt, Germany. The trade office is staffed by professionals engaged in a continual, pro-active effort to promote products and services from South Carolina in the international marketplaces of Europe, Africa and the Middle East.

In 1997, the European Trade Office processed 741 trade leads and provided general assistance to 547 companies interested in reaching these markets. In addition, Office representatives attended 12 trade shows with 34 South Carolina businesses or on their behalf, and helped arrange South Carolina's first trade missions to South Africa. The Office also helped three South Carolina companies secure "contracts to manufacture" with partners in Europe.

STRENGTHENING THE STATE'S BASE OF TECHNOLOGY

Approaching 2000 places a high priority on creating an environment that will attract high-tech companies, for two reasons:

1. High-tech firms create high-paying jobs.
2. Most modern industries depend on access to cutting-edge technologies and business support services to maintain maximum productivity.

The Division of Technology is responsible for developing a strategy to attract these firms to South Carolina and support their growth. The Division does this by (1) promoting alignment between the state's universities and its priority technologies, (2) promoting technology-specific entrepreneurship and (3) recruiting firms that build on the state's existing technological strengths.

To help promote the growth of high-tech industries and technologies in South Carolina, the SC Department of Commerce in 1997 spearheaded the formation of the SC Technology Council. Already, the Council has accomplished the first step in the strategic plan's goal of strengthening and developing the state's economic clusters. The Council has identified current, emerging and potential clusters and, in partnership with the private sector, has provided strategic leadership in cluster development.

The five priority technologies identified in South Carolina are:

- ◆ **MANUFACTURING** - Producers of manufacturing and factory automation equipment, related services and facility operators that are innovative users of manufacturing equipment.
- ◆ **INFORMATION AND COMMUNICATION** - Application and systems software producers, computer and communications hardware producers, innovative users of information systems and other information or communications service providers.
- ◆ **ENVIRONMENT** - Producers of environmental equipment, environmental service providers, such as analysis & testing services, consulting services and waste & water management services.
- ◆ **LIVING SYSTEMS** - Producers of goods or services related to the health or development of humans, other animals, and plants. This includes: medical equipment & related services, health-related services, pharmaceuticals & medical devices, biotechnology and agriculture-related services.
- ◆ **MATERIALS** - Producers of goods and services in areas such as chemicals, rubber & plastic, textiles, metals, composites and ceramics and semiconductor & other electronic materials.

The Technology Council also has begun working to align curricula at the state's universities with priority technologies. The state's universities have a number of roles to play in the development of the state's economy, including educating managers and professionals, providing extension services and housing a pool of experts in a diverse array of disciplines.

Also during 1997, the Technology Council completed and released its strategic plan, which can be obtained through the SC Department of Commerce.

HELPING THE STATE'S BUSINESSES BECOME MORE COMPETITIVE

BUYER/SUPPLIER PROGRAM

Under the Department's Buyer/Supplier Program, project managers helped an estimated 150 companies in South Carolina expand their markets by introducing them as potential suppliers to existing companies, out-of-state companies and new companies to South Carolina.

RAPID RESPONSE PROGRAM

Working with the state Employment Security Commission, Commerce staffers made 50 pre-emptive calls to offer assistance to companies that were on the brink of either downsizing or closing altogether. In several cases, these calls had a positive impact, preventing the loss of jobs and/or facilities.

THE RECYCLING MARKET DEVELOPMENT ADVISORY COUNCIL

The Recycling Market Development Advisory Council (RMDAC) is responsible for helping strengthen the state's recycling companies. In doing so, they not only help strengthen an industrial sector that currently employs more than 10,000 South Carolinians, but they also help other industries reduce waste-related treatment/disposal costs and liabilities. During 1997, the RMDAC:

- ◆ Created a new Emerging Recyclables Committee to study the potential for emerging, non-traditional and under-collected recyclables such as electronics, non-ferrous metals, white goods, residential mixed paper, household batteries and post-consumer textiles.
- ◆ Sponsored and hosted the 1997 Southeastern Recycling Investment Forum, where 12 recycling companies were able to present business plans to potential investors.
- ◆ Provided hands-on assistance to 115 companies. Thirty-eight percent of those (44) were business development related, including start-up, new and existing companies. The other 62 percent (71) were businesses that were provided technical or recycling market assistance.
- ◆ Sponsored study of the economics of recycling in South Carolina, producing an interactive computer model to be used by local governments in SC. The University of South Carolina performed the study.
- ◆ Worked with the Department of Health and Environmental Control (DHEC) to establish one of the first used oil bottle recycling programs in the United States.

- ◆ Participated in the second annual Southeastern Sustainable Communities Exposition, which is designed to promote awareness of "green" building techniques such as those being implemented at Dewees Island.

These efforts and others helped fuel significant growth and recruitment of the state's recycling companies. During 1997, 37 recycling companies invested \$403,191,000 in South Carolina, creating 855 new jobs.

STRATEGIC GOAL #3

TO ENSURE THAT THE BENEFITS OF INCREASED WEALTH GENERATION ARE REALIZED ACROSS ALL REGIONS OF THE STATE

Approaching 2000 recognizes that South Carolina as a whole can never prosper fully while its rural areas struggle economically. The plan therefore recommends that the state establish a function dedicated to meeting the challenges of rural development, with an emphasis on leadership training, community development and regional economic development strategies.

RURAL INVESTMENT

Although still in the early stages, the rural development strategies described herein are beginning to pay off. During 1997, 443 companies invested \$1,347,130,153 in South Carolina's rural counties, creating 9,077 new jobs.

STRATEGIC PLANNING IN RURAL SOUTH CAROLINA

During 1997, the Department's Community and Rural Development Division for the first time assigned staffers to each of the state's "least developed" counties (as defined by the Rural Development Act) to provide individualized support in leadership and community development.

Working with local leaders and economic developers, Commerce staffers are helping these communities assess their strengths and weaknesses, identify obstacles to growth and develop customized strategies to overcome those obstacles.

LEADERSHIP DEVELOPMENT

The Community and Rural Development staff worked to help local leaders understand how the economic development "engine" works through the development of both short and long range goals and strategic plans for economic development within their communities.

The Department of Commerce and Community Development staffers were also influential in developing the curriculum of the South Carolina Economic Developers School taught quarterly at the College of Charleston. Local leaders from across the state come together to learn how to be better prepared in the widely varied fields of economic development. The class has increased its attendance rate by almost 50

percent, with approximately 65 local leaders (both elected and appointed), county developers and interested citizens attending each session. Of those, an estimated 75 percent come from the state's rural counties.

REGIONAL DEVELOPMENT

One of the cornerstones of the Department's rural and community development strategy is regional economic development. The state assisted in several regional projects during 1997.

LAKE MARION REGIONAL WATER AUTHORITY

Six counties (Clarendon, Calhoun, Colleton, Sumter, Orangeburg, and Dorchester) came together in 1997 to push forward a regional effort to provide water to those areas whose existing water systems are unable to sustain further growth. This endeavor brought these counties together with the South Carolina Public Service Authority (Santee Cooper), the Department of Commerce and four regional councils of government to create a multi-year project plan that would enable these rural areas to offer prospective developers more than antiquated systems and poor existing infrastructure. This project, estimated to cost more than \$100 million, is expected to be paid for primarily by state and federal funding.

CAROLINA INTERSTATE ECONOMIC PARTNERSHIP

Clarendon, Lee and Sumter counties began meeting almost two years ago to create an economic development partnership to work together for marketing purposes. With the continued assistance of Community Development, these three counties formalized an agreement that created the Carolina Interstate Economic Partnership.

The Partnership has been successful in establishing an industrial park on I-95 with each county contributing equally to the costs of development. Unlike other multi-county parks, each contributing county also receives a percentage of the park's revenues based on the percentage put into its establishment. This is the first new regional entity that Community and Rural Development has worked with from its inception to successful completion.

MARLBORO COUNTY ECONOMIC DEVELOPMENT PARTNERSHIP

Rural Development has worked extensively with Marlboro County over the past year and a half to update their development effort. The Community and Rural Development Division was successful in assisting the county economic development board to restructure both its organizational structure and its mission. Restructuring also

increased the development board's funding and allowed for greater involvement and representation of people in the communities and existing businesses in Marlboro County.

With a countywide strategic plan, the new Economic Development Partnership has been able to implement infrastructure changes in their existing industrial park to include water and sewer, natural gas, lighting and new signage. These improvements helped attract a new tenant that constructed a 75,000 sq. ft. building and created 100 new jobs.

COMMUNITY DEVELOPMENT BLOCK GRANTS

In 1997, the state awarded a total of \$32,435,628 in Community Development Block Grants (CDBGs). Of this, \$7,742,486 provided direct support of newly locating or expanding job-creating enterprises. A total of 2,513 new jobs were created by 20 firms in 14 counties benefiting from these grants, which typically provided water, sewer and access road infrastructure to serve the firms.

An additional \$11,598,132 in CDBG funds were awarded for improvements to the basic infrastructure – water, sewer, roads, and other community facilities – in 17 of South Carolina's 46 counties. Many of these improvements involved more than one jurisdiction, as the benefits of regional cooperation become more recognized.

To ensure that regions are adequately planning for growth and change, the 10 regional Councils of Government in South Carolina received a total of \$500,000 in CDBG funds. They used these funds to maintain adequate CDBG administrative staff, and to develop applications for grant funds in cooperation with the Department of Commerce.

ENTERPRISE PROGRAM REVITALIZATION AGREEMENTS

In 1997, the state approved 101 Enterprise Zone applications representing \$2,010,914,416 in capital investment (approximately 37 percent of the year's total investment), and creating 11,854 jobs (about 40 percent of the overall total).

In all, the Enterprise Program approved projects in 1997 that will yield a net economic benefit of \$5,125,485,451 to South Carolina during the next five years. Since the Enterprise Program was introduced in 1995, it has helped create 45,047 jobs, generated an estimated \$7.6 billion in capital investment and committed to retrain up to 58,146 employees in South Carolina, creating an overall economic impact of almost \$36.8 billion. Forty-five counties so far have had Enterprise Program applications approved.

STRATEGIC GOAL #4:

TO ENSURE THAT DEVELOPMENT OF THE STATE'S ECONOMIC RESOURCES KEEPS PACE WITH THE NEEDS OF ITS BUSINESSES

Industries can only locate and grow in communities where the local business-supporting infrastructure can support their day-to-day operations. *Approaching 2000* therefore places much importance on strengthening the state's traditional infrastructure, such as roads and water systems, as well as non-traditional infrastructure, such as the local work force.

THE COORDINATING COUNCIL FOR ECONOMIC DEVELOPMENT

During 1997, the state awarded \$28,986,100 in Highway Set-Aside Funds to create \$2,275,000,000 in capital investment and 13,796 new jobs in 20 counties throughout the state.

These monies were used to fund project-specific infrastructure projects. For example:

- ◆ Aiken County received a grant award of \$400,000 to be used for public road improvements to provide access for industrial and employee traffic to the site selected by Kimberly Clark. With this expansion, Kimberly Clark committed to create a minimum of 150 new jobs and invest at least \$230 million.
- ◆ Richland County received a grant award of \$300,000 to be used for public road construction to accommodate traffic increases associated with the expansion of the Bose facility in Blythewood. With this expansion, Bose committed to create an additional 350 jobs with a capital investment of \$15 million.
- ◆ The Town of Clover received a grant award of \$170,000 to be used for the upgrade of a state road to accommodate truck traffic at the new location of Homelite. This new project resulted in 100 new jobs and an investment of \$3.2 million.
- ◆ Mikasa's announcement that they would open a new distribution center in Berkeley County resulted in \$150,000 in set-aside funds being awarded to the County for the purpose of access road construction. Mikasa has committed to creating 300 jobs with an investment of at least \$58 million.

ENTERPRISE PROGRAM RETRAINING PROJECTS

South Carolina approved 75 retraining projects in 1997. Under these projects, the state will retrain up to 24,184 existing production workers in 21 counties over the next five years. The retraining option of the Enterprise Program is particularly valuable to companies because it enables them to introduce new technologies, in turn enhancing efficiency, boosting productivity and allowing companies to achieve maximum competitiveness and profitability.

RUNWAY IMPROVEMENTS

In 1997, eight different airports received grants from the Aeronautics Division which leveraged \$324,027.40 in state capital improvement bonds into \$4,393,915.91 in federal funds.

The following airports received grants:

- ◆ Greenville Downtown, to extend a partial parallel taxiway and rehabilitation of an existing taxiway. This will increase airfield safety and capacity.
- ◆ Darlington County Jetport, for rehabilitating the primary runway and installing omni-directional approach lighting system. Sonoco Products flight department, based at the airport utilizes two jets and two prop aircraft. The airport also supports the transportation needs for the Darlington Raceway. The approach lighting system will lower the minimums and increase flight safety during adverse weather conditions.
- ◆ Chester Municipal Airport to install runway and taxiway lights, for supporting night operations. Additional lighting was added to enable pilots to locate the airport and provide for approach guidance.
- ◆ Orangeburg Municipal Airport, for site preparation for a new realigned runway and parallel taxiway. Environmental constraints limited a runway extension to the existing runway. The new runway will be 5,500' x 100'. This will enable larger aircraft to utilize the airport. The community has been active for 30 years in bringing this project to fruition.
- ◆ Georgetown County Airport, for installing precision approach indicators, transmitters for the weather station and clearance delivery system to the Myrtle Beach tower. These electronic devices will provide safer approaches to the airport, increase the airfield capacity and allow pilots to notify their intentions.

- ◆ Allendale County Airport, for the construction of taxiways to the t-hangars. Hangars are vital to protect aircraft from the elements and access to them is essential from the runway/taxiway areas.
- ◆ Spartanburg Downtown Airport, for preliminary conception drawings for a future terminal building and upgrading the weather reporting system. Spartanburg is the oldest airport in South Carolina and the general aviation terminal building is outdated. Charter aircraft using the facility are required to have reporting weather information.

The information structure for this report is for calendar year 1997. The state and federal funding structure are programmed by fiscal years; therefore, overlapping programs may be reported.

For more information on the South Carolina Department of Commerce, please call (803) 737-0400 or write to:

The South Carolina Department of Commerce
P.O. Box 927
Columbia, SC 29202

Additional information, including press releases, employment opportunities, available publications and a copy of this report can be found at the Department's web site at www.state.sc.us/commerce.

**SOUTH CAROLINA CAPITAL INVESTMENT ACTIVITY
RECENT TRENDS
1987 - 1997**

YEAR	FIRMS	EMPLOYMENT	INVESTMENT (\$000)	HISTORIC RANKING INVESTMENT
1997	1,337	29,303	\$5,501,921	2 nd
1996	1,238	25,997	\$5,697,585	1 st
1995	1,032	23,938	\$5,359,028	3 rd
1994	775	16,715	\$2,881,353	6 th
1993	759	12,582	\$2,553,659	8 th
1992	665	15,313	\$2,879,081	7 th
1991	587	10,144	\$2,438,886	10 th
1990	548	11,858	\$2,679,564	7 th
1989	798	18,017	\$2,919,852	5 th
1988	796	19,415	\$3,675,319	4 th
1987	794	22,515	\$2,312,973	13 th
Totals	9,329	205,797	\$38,899,221	

**SOUTH CAROLINA CAPITAL INVESTMENT ACTIVITY
BY NEW AND EXISTING FIRMS
1987 - 1997**

YEAR	NEW			EXISTING			TOTALS		
	FIRMS	EMPLOYMENT	INVESTMENT (\$000)	FIRMS	EMPLOYMENT	INVESTMENT (\$000)	FIRMS	EMPLOYMENT	INVESTMENT (\$000)
1997***	77	8,695	\$1391,252	1,260	20,608	\$4110,669	1,337	29,303	\$5,501,921
1996***	94	7,442	\$782,328	1,144	18,555	\$4,915,256	1,238	25,997	\$5,697,585
1995***	79	7,863	\$894,788	953	16,075	\$4,464,240	1,032	23,938	\$5,359,028
1994**	92	5,954	\$883,300	683	10,761	\$1,998,053	775	16,715	\$2,881,353
1993**	66	4,776	\$642,454	693	7,806	\$1,911,205	759	12,582	\$2,553,659
1992**	61	7,147	\$1,038,699	604	8,166	\$1,840,382	665	15,313	\$2,879,081
1991*	56	3,836	\$592,828	531	6,308	\$1,846,058	587	10,144	\$2,438,886
1990*	53	4,039	\$458,975	495	7,819	\$2,220,589	548	11,858	\$2,679,564
1989*	94	6,605	\$741,540	704	11,412	\$2,178,312	798	18,017	\$2,919,852
1988*	76	6,785	\$353,960	720	12,630	\$3,321,359	796	19,415	\$3,675,319
1987*	107	11,306	\$609,175	687	11,209	\$1,703,798	794	22,515	\$2,312,973

Note: * denotes years in which capital investment tracking expanded to include not only manufacturing but also distribution, corporate headquarters and research & development firms.
 ** denotes the years in which capital investment tracking was expanded to include all of the above and computer related services.
 *** denotes the year that types of firms tracked was further expanded to include additional management related services, i.e. large scale accounting services.

**INTERNATIONAL CAPITAL INVESTMENT ACTIVITY IN SOUTH CAROLINA
BY INVESTMENT LEVEL
1997**

COUNTRY	FIRMS	PERCENT	JOB	PERCENT	INVESTMENT	PERCENT
Japan	40	17.2%	2,465	41.2%	\$851,436,000	40.5%
Germany	57	24.6%	1,022	17.1%	\$602,155,792	30.0%
United Kingdom	42	18.1%	754	12.6%	\$159,890,848	7.6%
Taiwan	2	0.9%	165	2.8%	\$158,030,000	7.5%
France	23	9.9%	365	6.1%	\$103,564,000	4.9%
Italy	16	6.9%	301	5.0%	\$73,414,500	3.5%
Switzerland	14	6.0%	103	1.7%	\$55,936,537	2.7%
Belgium	4	1.7%	125	2.1%	\$40,818,000	1.9%
Canada	14	6.0%	428	7.2%	\$27,946,046	1.3%
Ireland	1	0.4%	C	C	\$7,000,000	0.3%
Sweden	4	1.7%	3	0.1%	\$4,130,000	0.2%
Korea	3	1.3%	74	1.2%	\$4,100,000	0.2%
Denmark	4	1.7%	90	1.5%	\$3,500,000	0.2%
Netherlands	3	1.3%	50	0.8%	\$2,548,743	0.1%
Australia	1	0.4%	0	0.0%	\$1,500,000	0.1%
Chile	1	0.4%	C	C	\$180,000	C
Totals	233		5,977		\$2,100,200,466	

C indicates *confidential information* withheld at the request of the company.

RURAL DEVELOPMENT ACT CLASSIFICATIONS AND ACTIVITY

Developed	1996			1997		
	Firms	Jobs	Investment	Firms	Jobs	Investment
Anderson	65	1,023	\$311,983,522	48	593	\$206,179,122
Greenville	152	2,701	\$418,370,093	168	3,487	\$483,198,102
Pickens	26	163	\$28,766,464	30	386	\$38,682,604
Richland	57	1,987	\$180,884,463	78	2,156	\$218,116,500
Spartanburg	140	1,525	\$844,837,146	146	1,520	\$524,436,033
York	53	2,154	\$205,610,062	70	2,296	\$214,138,338
Moderately Developed	Firms	Jobs	Investment	Firms	Jobs	Investment
Beaufort	14	43	\$3,841,130	17	91	\$19,209,029
Florence	28	283	\$25,560,630	42	858	\$217,928,849
Greenwood	25	712	\$486,218,273	36	604	\$137,802,376
Horry	20	614	\$55,582,012	22	699	\$86,750,700
Laurens	26	362	\$68,229,028	31	466	\$107,860,000
Lexington	58	693	\$237,309,322	63	721	\$144,204,606
Newberry	14	188	\$17,716,000	17	462	\$73,809,500
Oconee	26	141	\$37,646,742	28	391	\$95,431,926
Upper Tier Totals:	704	12,589	\$2,922,554,887	796	14,730	\$2,567,747,685
Least Developed	Firms	Jobs	Investment	Firms	Jobs	Investment
Allendale	4	39	\$2,194,073	5	73	\$4,987,000
Bamberg	8	77	\$5,880,000	6	45	\$3,205,581
Barnwell	7	506	\$23,362,564	14	250	\$22,397,000
Chester	26	733	\$126,750,000	18	73	\$81,668,743
Clarendon	6	95	\$3,255,000	4	105	\$5,770,000
Colleton	9	157	\$14,371,040	8	66	\$2,801,500
Dillon	8	337	\$16,734,100	4	35	\$13,525,907
Edgefield	7	90	\$5,504,700	8	111	\$20,007,000
Hampton	9	87	\$3,522,700	16	112	\$22,699,000
Jasper	12	117	\$6,339,463	14	510	\$20,787,000
Lee	2	11	\$1,300,000	2	39	\$25,000
Marion	24	893	\$29,593,075	13	341	\$7,348,162
Marlboro	12	357	\$16,597,153	16	319	\$43,452,584
McCormick	1	0	\$3,000,000	1	0	\$75,000
Orangeburg	34	408	\$65,030,000	32	773	\$51,815,877
Union	13	357	\$25,391,000	12	485	\$112,569,000
Williamsburg	15	694	\$26,703,600	9	323	\$91,479,279
Under Developed	Firms	Jobs	Investment	Firms	Jobs	Investment
Abbeville	10	70	\$8,883,440	9	458	\$28,795,000
Aiken	21	713	\$629,725,747	33	1,572	\$891,559,980
Berkeley	26	1,644	\$315,935,000	35	2,229	\$704,839,000
Calhoun	6	101	\$263,298,647	7	290	\$31,464,000
Charleston	75	2,487	\$371,218,352	73	838	\$77,264,397
Cherokee	23	179	\$36,959,290	24	289	\$115,947,656
Chesterfield	23	258	\$58,908,700	28	689	\$118,781,691
Darlington	23	323	\$42,617,500	23	804	\$61,762,223
Dorchester	23	282	\$140,744,000	23	1,166	\$127,431,995
Fairfield	8	163	\$43,707,000	8	142	\$5,557,000
Georgetown	13	109	\$33,716,000	15	171	\$19,516,000
Kershaw	17	292	\$82,336,500	22	334	\$84,986,676
Lancaster	23	699	\$226,149,700	16	458	\$74,439,099
Saluda	2	150	\$4,500,000	3	173	\$3,259,000
Sumter	44	980	\$140,802,030	49	1,300	\$83,955,914
Lower Tier Totals	534	13,408	\$2,775,030,374	368	10,913	\$2,429,559,631

**ANNOUNCED CAPITAL INVESTMENT ACTIVITY
COUNTY RANKINGS
1997**

County	Firms	Rank	Jobs	Rank	Investment	Rank
Abbeville	9	34	458	22	\$28,795,000	30
Aiken	33	12	1,572	5	\$891,559,980	1
Allendale	5	41	73	40	\$4,987,000	41
Anderson	48	8	593	17	\$206,179,122	8
Bamberg	6	40	45	43	\$3,205,581	43
Barnwell	14	30	250	32	\$22,397,000	32
Beaufort	17	24	91	39	\$19,209,029	36
Berkeley	35	10	2,229	3	\$704,839,000	2
Calhoun	7	39	290	31	\$31,464,000	29
Charleston	73	4	838	10	\$77,264,397	22
Cherokee	25	18	294	30	\$116,097,656	13
Chester	18	23	73	41	\$81,668,743	21
Chesterfield	28	16	689	15	\$118,781,691	12
Clarendon	4	42	105	38	\$5,770,000	39
Colleton	8	36	66	42	\$2,801,500	44
Darlington	23	19	804	11	\$61,762,223	25
Dillon	4	43	35	44	\$13,525,907	37
Dorchester	23	20	1,166	8	\$127,431,995	11
Edgefield	8	37	111	37	\$20,007,000	34
Fairfield	8	38	142	35	\$5,557,000	40
Florence	42	9	858	9	\$217,928,849	6
Georgetown	15	29	171	34	\$19,516,000	35
Greenville	168	1	3,487	1	\$483,198,102	4
Greenwood	35	11	599	16	\$137,652,376	10
Hampton	16	26	112	36	\$22,699,000	31
Horry	22	21	699	14	\$86,750,700	18
Jasper	14	31	510	18	\$20,787,000	33
Kershaw	22	22	334	27	\$84,986,676	19
Lancaster	16	27	458	23	\$74,439,099	23
Laurens	31	14	466	20	\$107,860,000	15
Lee	C	C	C	C	C	C
Lexington	63	6	721	13	\$144,204,606	9
Marion	13	32	341	26	\$7,348,162	38
Marlboro	16	28	319	29	\$43,452,584	27
McCormick	C	C	C	C	C	C
Newberry	17	25	462	21	\$73,809,500	24
Oconee	28	17	391	24	\$95,431,926	16
Orangeburg	32	13	773	12	\$51,815,877	26
Pickens	30	15	386	25	\$38,682,604	28
Richland	78	3	2,156	4	\$218,116,500	5
Saluda	3	44	173	33	\$3,259,000	42
Spartanburg	146	2	1,520	6	\$524,436,033	3
Sumter	49	7	1,300	7	\$83,955,914	20
Union	12	33	485	19	\$112,569,000	14
Williamsburg	9	35	323	28	\$91,479,279	17
York	70	5	2,296	2	\$214,138,338	7

C indicates confidential information withheld at the request of the companies making the investment.

LARGEST PUBLICLY-ANNOUNCED CAPITAL INVESTMENTS 1997

Company	Type	Product	Announced Investment	City	County
Bridgestone Firestone Inc	New	Passenger and light truck tires	\$619,000,000	Graniteville	Aiken
BMW Manufacturing Corp	Expansion	Automobiles	\$200,000,000	Greer	Spartanburg
Du Pont, E I de Nemours & Co	Expansion	Dacron polyester	\$161,000,000	North Charleston	Berkeley
Nucor Steel	Expansion	Rolled steel	\$150,000,000	Huger	Berkeley
Westinghouse Savannah River Co	Expansion	Special nuclear materials	\$134,800,000	Aiken	Aiken
Draper-Textmaco	Expansion	Gray iron castings	\$100,900,000	Spartanburg	Spartanburg
Nan Ya Plastics Corp-America	Expansion	Polyester staple fiber	\$158,000,000	Lake City	Florence/ Williamsburg
Corning Inc	New	High purity fused silica	\$75,000,000	Goose Creek	Berkeley
SMI Steel of SC	Expansion	Steel reinforcing bars	\$70,000,000	Cayce	Lexington
3M Tape Mfg Division	Expansion	Pressure sensitive box sealing tapes	\$60,000,000	Greenville	Greenville
Bayer Corporation	Expansion	Dyestuffs, pigments & specialty colorants	\$60,000,000	Goose Creek	Berkeley
The Timken Company	Expansion	Tapered roller bearings	\$51,000,000	Gaffney	Cherokee
American Italian Pasta Company	Expansion	Dried pasta products	\$50,000,000	Columbia	Richland
Vickers Inc	New	Hydraulic piston pumps	\$50,000,000	Greenwood	Greenwood
Roche Carolina Inc	Expansion	Pharmaceutical process development, R & D	\$40,000,000	Florence	Florence
Nucor Steel	Expansion	Rolled steel	\$40,000,000	Huger	Berkeley
FG Wilson Engineering Ltd	New	Diesel generator sets	\$40,000,000	Newberry	Newberry
Leiner Health Products	New	Vitamins and nutritional supplements	\$40,000,000	Rock Hill	York
Guardian Industries	Expansion	Flat glass	\$38,000,000	Richburg	Chester
LATI USA	New	Thermoplastic compounds	\$35,000,000	Summerville	Dorchester
Caterpillar Inc	Expansion	Planet shafts	\$32,600,000	Sumter	Sumter
Santee River Rubber Co	New	Rubber recycling/ processing	\$32,000,000	Mt Holly	Berkeley
Honda of America Manufacturing	New	All terrain vehicles	\$30,000,000	Timmonsville	Florence
Belden Wire and Cable	New	Wire and cord products	\$30,000,000	Columbia	Lancaster
Allibert Industries Inc	Expansion	Interior plastic trim	\$30,000,000	Fountain Inn	Laurens

LARGEST PUBLICLY-ANNOUNCED NEW JOBS 1997

Company	Type	Product	New Jobs	City	County
Bridgestone Firestone Inc	New	Passenger and light truck tires	800	Graniteville	Aiken
Policy Management Systems Corp	Expansion	Prepackaged software	800	Blythewood	Richland
Emergent Business Capital	New	Business Services	500	Columbia	Greenville
Holiday Inn Worldwide	New	Hotel reservation center	500	North Charleston	Dorchester
HFS, Inc.	New	Hotel reservation center	500	Orangeburg	Orangeburg
Leiner Health Products	New	Vitamins and nutritional supplements	450	Rock Hill	York
Citation Teleservices Inc	New	Call center	400	Summerville	Dorchester
Conxus	New	Business Services	350	Greenville	Greenville
Conbraco Industries	Expansion	Brass valves	325	Pageland	Chesterfield
Alco Lite	Expansion	Misc. structural steel & handrails	320	Columbia	Darlington
Honda of America Manufacturing	New	All terrain vehicles	300	Timmonsville	Florence
DSI Draexlmaier Automotive Service Inc	Expansion	Wire harnesses	300	Duncan	Spartanburg
West Marine Inc	New	Boating supplies	300	Fort Mill	York
Westinghouse Safety Management Solutions	New	Safety Management Engineering Services	300	Aiken	Aiken
The Disney Catalog	New	Distribution center	300	Union	Union
Belden Wire and Cable	New	Wire and cord products, NEC	250	Columbia	Lancaster
AVX Corp	New	Capacitors	250	Myrtle Beach	Horry
Fleet Mortgage Group	Expansion	Taxes, collections and insurance	250	Florence	Florence
Emergi-Lite Inc	Expansion	Emergency lighting products	250	St Matthews	Calhoun
Kings Electronics Co Inc	New	Coaxial cable connectors	225	Rock Hill	York
Decorative Home Accents (DHA)	Expansion	Outdoor vinyl fabrics	225	Abbeville	Abbeville
Northern Hydraulics Inc	New	Light industrial tools & equipment	205	Rock Hill	York
Nucor Steel	Expansion	Rolled steel	200	Huger	Berkeley
Draper-Textmaco	Expansion	Gray iron castings	200	Spartanburg	Spartanburg
Allibert Industries Inc	Expansion	Interior plastic trim	200	Fountain Inn	Laurens
Select Comfort Corp	New	Mattress	200	Irmo	Richland

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