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SOUTH CAROLINA STATE DEVELOPMENT BOARD



ANNUAL REPORT 1986-1987

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State Budget And Control Board

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STATE DOCUMENTS

Columbia, South Carolina

November 2, 1987

To: His Excellency Carroll A. Campbell Jr., Governor, and
Members of the General Assembly

On behalf of the South Carolina State Development Board, I have
the honor to transmit herewith its Annual Report, which outlines
the activities of the Board and its staff during the 1986-87
fiscal year ending June 30, 1987.

Respectfully submitted,

J. MAC HOLLADAY

Director

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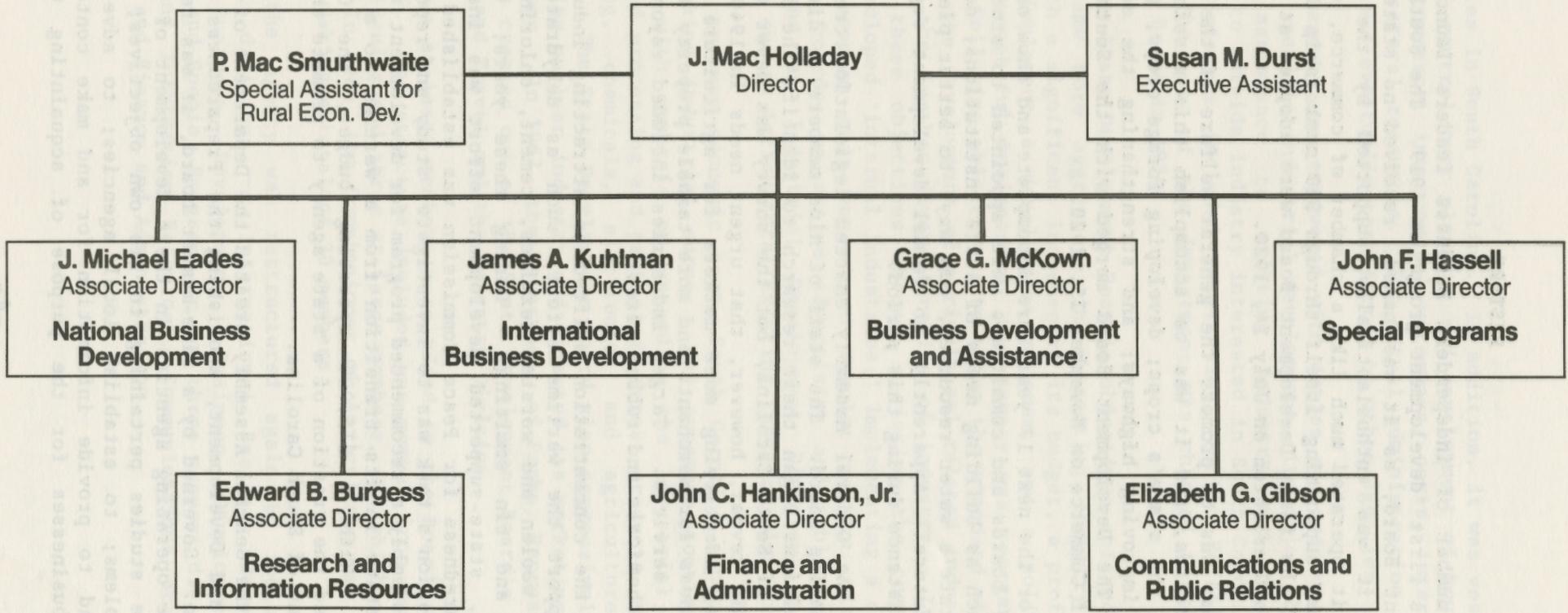
SOUTH CAROLINA
STATE DEVELOPMENT BOARD MEMBERS

<u>Judicial Circuit</u>	<u>Name</u>	<u>City</u>
Chairman	Richard E. Greer	Greenville
At Large	C.C. Goodwin	Sumter
At Large	Samuel Tenenbaum	Columbia
1st	J.R. Bell	Harleyville
2nd	O. Ronald Wood	Graniteville
3rd	J. Wesley Kennedy	Hemingway
4th	Charles R. Jackson	Cheraw
5th	Robert L. Selman	Columbia
6th	Roosevelt Gilliam	Lancaster
7th	Robert C. Carroll	Gaffney
8th	Thomas E. Hite Jr.	Abbeville
9th	Gary C. LeCroy	Moncks Corner
10th	T. Rhett Evatt	Seneca
11th	John H. Wheeler	Saluda
12th	David W. Keller Jr.	Florence
13th	Garnet A. Barnes	Easley
14th	Harry L. Hill	Walterboro
15th	James P. Creel	Myrtle Beach
16th	Louis M. Jordan	Union
Commissioner of Agriculture	D. Leslie Tindal	Columbia

MANAGEMENT STAFF

J. Mac Holladay	Director
Edward B. Burgess	Associate Director Research and Information Resources
J. Michael Eades	Associate Director National Business Development
Elizabeth G. Gibson	Associate Director Communications and Public Relations
John C. Hankinson Jr.	Associate Director Finance and Administration
John F. Hassell	Associate Director Special Programs
Dr. James A. Kuhlman	Associate Director International Business Development
Grace G. McKown	Associate Director Business Development and Assistance
P.M. Smurthwaite	Special Assistant to the Director Rural Economic Development
Susan M. Durst	Executive Assistant

S.C. STATE DEVELOPMENT BOARD EXECUTIVE STAFF ORGANIZATIONAL STRUCTURE



HISTORY

A small number of independent business leaders launched South Carolina's first "development group" in 1919. The South Carolina Development Board, as it was named, received no state funding, although it was enthusiastically supported by the governor. Instead, it operated much like a chamber of commerce, soliciting members and supporting itself through \$10 membership dues. The bylaws of the first Development Board were adopted at the first meeting in Charleston on July 14, 1920.

Its purpose was to promote the general welfare of the people of South Carolina, and it was to accomplish this mission through marketing the state's crops; developing forage crops, grains and grasses; improving highways; and strengthening the educational system. The Development Board merged with the South Carolina Chamber of Commerce on November 15, 1920.

Records for the next 17 years are incomplete and show only that a number of boards and committees were appointed to study various issues such as building needs of state institutions, development of the state's water resources, and ways to better plan for the state's future. Apparently, no formal development organization was in existence during this period.

In 1938, the General Assembly enacted legislation creating the State Planning Board. The staff of nine members, a director and two technicians began their research to identify the industrial resources of South Carolina, but the survey was never completed. Studies did reveal, however, that urgent needs in 1940 were for more jobs, identifying more markets for agriculture products, more business for merchants and more taxable property to finance government services. Target industries included rayon, ladies' apparel, chemicals and rubber tires.

By 1944, the concentration shifted to attracting industry that would support the wartime effort, such as dehydrated foods, plastics, woolen and worsted textiles, cement, chlorine alkali, aluminum and tin smelting. During these years, the first organized, state-supported development effort was inaugurated: The Preparedness for Peace Commission was established in 1942. The Commission's task was to investigate, study and report to the General Assembly a recommended program for development that would aid the state in its transition from a wartime to a peacetime economy. With a \$15,000 operating budget, the Commission recommended the creation of a state agency to promote the orderly development of South Carolina.

In 1945, the General Assembly created the Department of Research, Planning and Development, abolishing the Preparedness for Peace Commission. Governed by a five-member board, it was required to coordinate operating agencies in their development of plans; to coordinate studies pertaining to its own objectives; to study area problems; to establish local agencies; to advertise the state; and to provide information for and make contacts with private businesses for the purpose of acquainting them with

opportunities in South Carolina. In addition, it was vested with state-level control over planning and development of housing and building, commerce, intercoastal waterways, ports, international trade and natural resources. The actual administration of these activities was eventually transferred to other agencies.

Though the agency was empowered with duties and responsibilities far beyond specific industrial development, its major thrust was to offer assistance to existing industry and to provide assistance to outside industry interested in South Carolina. The agency's divisions included Advertising, Public Relations and Tourism. The name of the department was changed to the State Development Board in 1954.

In 1959, the State Development Board's objectives shifted, as the agency became more aggressive in attracting industry to the state. With a significant increase in its budget, a professional staff to implement a development program, and a policymaking board of successful businessmen, the agency was reorganized to pursue the following objectives: to raise the standard of living; to further the development of agricultural-related industry; and to promote the further diversification of industry. It was to accomplish these objectives through assisting the creation of locally developed "internal industries;" implementing a community relations program that encouraged regular contact with local development boards; an active advertising and public relations program; and an Industrial Development Division with data development and an Agricultural Existing Industry Division.

During the postwar economic boom, South Carolina experienced a record-breaking industrial surge. The progress continued into the 1960s, with emphasis on expanding the industrial base to include food processing and packaging, forest products, minerals, metalworking, chemicals, electronics and agriculture-related industries. The State Development Board also aggressively sought the fledgling nuclear industry and directed its marketing efforts toward Europe. In 1967, the Department of Parks, Recreation and Tourism was created out of the State Development Board's Division of Tourism and Travel and the Forestry Division.

In 1979, two at-large members were added to the Board, making a total of 19. The structure included one member from each of 16 judicial circuits and three at-large members, one which serves as chairman. In 1984, the Commissioner of Agriculture was added to the Board, making a total of 20 members.

In 1986, the agency was restructured again to include four operational divisions — International Business Development, National Business Development, Business Development and Assistance and Special Programs — and three support divisions — Research and Information Resources, Communications and Public Relations, and Finance and Administration.

FROM THE CHAIRMAN

The national economy experienced another less than spectacular year in 1986. Meanwhile, South Carolina performed better in 1986 than it did in 1985, surpassing the growth rates of the nation and the Southeast, according to the 1987 South Carolina Economic Report, published by the state's Budget and Control Board. "The national economy continued to plod along slowly with a 2.5 percent growth in 1986, which was slightly less than its performance in 1985," the report said. Consumer buying, especially in the automobile market, led the national economy.

National economic trends that affected the state's economy included the Federal Reserve Bank's decision to help stimulate the economy by adding reserves to the banking system in the hopes of reducing interest rates, which generally fell; the threat of a new tax bill; the federal budget deficit and related trade imbalance; and the successful fight against inflation.

According to the economic report, the tax bill "had a negative impact on the economy because of its anti-investment provisions." Nationally, business investment in plants, equipment and computers declined slightly. Overall, private investment nationwide declined 1.5 percent during 1986. Also having a negative effect on the national economy was the rising trade imbalance, which increased 37 percent during the year in real terms. The trade deficit, \$106 billion in 1986, increased \$26 billion over its 1985 level, adversely affecting the nation's agriculture and manufacturing sectors.

A positive offshoot of the declining value of the dollar and the influx of cheaper foreign goods was a low inflation rate. The Consumer Price Index rose only 1.9 percent over the previous year, and wholesale prices, led by falling energy prices, declined on average in 1986 by 2.9 percent from their 1985 levels.

Overall, South Carolina had a good year. "Real personal income for the state grew 3.6 percent in 1986, which was up from its 2.5 percent growth in 1985 and above the growth rates of 3.5 and 3.2 percent in the nation and the Southeast, respectively," the report said. The state's employment grew by 42,000 jobs in 1986 over the average 1985 level. A leading factor in the state's recovery was strong growth in residential construction, tourism-related activities and business services.

Total employment in South Carolina at the end of the fiscal year was 1,566,000, an increase of 3.4 percent over the previous year. The manufacturing sector remained the largest employer with 367,300 jobs but experienced only a 0.5 percent growth. The retail and wholesale trade sector was the second largest employer with 310,800 jobs. That sector experienced a 5.2 percent increase over the previous year. The service sector, the third largest in the state, experienced an even larger growth rate of 6.5 percent over the previous year, employing 240,300 people. The unemployment rate fell from 6.4 percent at the end of the last fiscal year to 5.9 percent.

Capital investment for the fiscal year exceeded \$1.8 billion (see Table 2), and nearly 18,000 jobs were announced for manufacturing, distribution, office headquarters and research. Total manufacturing investment for the fiscal year exceeded \$1.7 billion, and the total number of manufacturing jobs announced for the year was nearly 16,000. By industry, metalworking had the largest number of new and expanded facilities, leading capital investment and number of new jobs (see Table 4). The textile and apparel industries had the second and third highest number of new jobs, while the chemical industry had the second-highest level of new investment, followed by textiles.

During the fiscal year, nearly \$430 million was invested in South Carolina by foreign-affiliated concerns, resulting in nearly 3,800 jobs (see Table 5). By country, France led the year's manufacturing investments with more than \$82 million invested (see Table 6). Germany, with capital investments of more than \$21 million, and Japan, with \$9 million, followed. By industry, metalworking led with more than \$91 million in capital investment (see Table 7), followed by chemicals and textiles and apparel.

Overall, in a year that was less than spectacular for the national economy, South Carolina more than held its own. But much work is still left to be done if South Carolina is to be a truly competitive state, even in the region. If we compare South Carolina against our competitive neighboring states, our per capita income in 1986 was 95.7 percent of a five-state Southeastern average. If present trends continue, that gap will continue to widen. It has already slipped 1.8 percentage points from its 1981 level.

The job is not easy, but it can be achieved through a major effort in economic development. The state can achieve its goals through national and international recruitment programs, by ensuring existing jobs remain intact and grow, and by encouraging the formation of new companies in South Carolina. As can be seen from this past year, the state also needs to ensure that it has a healthy, diversified economic base so that it does not become vulnerable to any single negative force at the national and international levels. And finally, the state must design programs that meet the needs of the areas that need it most — rural South Carolina. In short, it can only be done with a major commitment to and from our State Development Board.

Richard E. Greer
Chairman

THE EXECUTIVE OFFICE AND THE BOARD

In consultation with the board, the director is responsible for the overall management of the agency, which includes policy development, long-range planning and resource development. The director's office is the focal point for the agency's accountability to the public.

The governing and policy-making body for the activities of the agency is the board. Each year, the board adopts objectives and programs for achievement in consultation with the director and the executive staff.

Nineteen board members are appointed by the governor, with the advice and consent of the Senate. One member is appointed from each of the 16 judicial circuits, and three members are appointed from the state at large. One of the at-large members is appointed by the governor to serve as chairman. The state Commissioner of Agriculture also serves as a member of the board.

During Fiscal Year 1986-87, the programs established during the previous year were refined and a new initiative, Rural Economic Development, was started. Recognizing that South Carolina's urban and rural communities have very different needs and economies, a special assistant to the director for Rural Economic Development began surveying the state examining local programs and activities that affect the economy of our rural areas. His findings and recommendations will be prepared in October 1987. During the fiscal year, the Director's Office planned the relocation of the agency's quarters to the newly constructed AT&T Capital Center in downtown Columbia.

Under the leadership of the new chairman, the 20-member board evaluated its current level of involvement and established three new subcommittees to work with the staff on the budget, agency operations and the arts. As chairman of the Coordinating Council for Economic Development, the chairman also led the council in the development of a Request for Proposals to evaluate South Carolina's economic development plan for the state.

THE FOLLOWING IS A BRIEF DESCRIPTION OF THE
VARIOUS DIVISIONS OF THE STATE DEVELOPMENT
BOARD AND THE PROGRAMS AND ACTIVITIES
OF EACH FOR THE FISCAL YEAR 1986-87

NATIONAL BUSINESS DEVELOPMENT

Fiscal Year 1986-87 brought a substantial upswing in activity from domestic business projects. Strong national business trends, combined with the adoption of the tax reform legislation at the federal level, served to increase both the quantity and quality of serious prospects for South Carolina. During the fiscal year, 225 companies made, at least, one site selection visit to South Carolina through the National Business Development Division.

The year was highlighted by the announcement of several major projects in the state, including White Consolidated, Guardian Industries, W.W. Grainger, Caloric Corp. and RCA Corp. Rural South Carolina also experienced one of the most productive recruitment years with more than 42 percent of the new investment jobs created to accrue to the non-metropolitan counties.

The National Business Development Division continued to enhance its relationships with economic development allies at the local and regional level throughout the year. The staff participated in a variety of ally-oriented training and marketing programs, including the new Economic Development Institute and other efforts.

Internally, the division implemented the new computer database Marketing Information System, which has substantially improved the division's ability to keep accurate project records and to follow up on advertising and other leads. The staff received thorough training on the system and has adopted this new tool for both project management and marketing needs.

INTERNATIONAL BUSINESS DEVELOPMENT

During Fiscal Year 1986-87, the division concentrated on investment and trade promotion according to a specific strategic plan developed by the staffs of the Investment and Trade departments, together with the directors of the Atlantic Community and Pacific Community offices. A matrix design of public-private and state-local participation in investment seminars and trade missions was implemented with three major events in each category.

Investment seminars — involving public and private practitioners in the accounting, banking, higher and technical education, law and utilities sectors — were conducted in New York, N.Y., under the auspices of the Japanese External Trade Organization and chaired by the governor; in London under the auspices of the London Chamber of Commerce & Industry, chaired by the Development

Board chairman; and in Munich under the auspices of the leading banking institution of Bavaria, also chaired by the Development Board chairman. A Governor's Investment Seminar Advisory Committee was established to assist the division in targeting future investment seminar sites.

Trade missions — involving a record level of South Carolina export firms — were conducted to Australia, Seoul and Tokyo under the chairmanship of the state comptroller general, and Birmingham in Great Britain. Proposals were developed with the State Ports Authority and the state Department of Agriculture to achieve a more clear-cut division of labor for the investment and trade functions in the overseas offices. The Tokyo office now has representatives from both the Development Board and the State Ports Authority, and the Brussels office has finalized plans to move to the Frankfurt Airport Center and add a second person to represent the trade function along with the director from the Development Board.

In the second half of the fiscal year, investment had increased to record levels, showing an all-time level in volume and percentage growth. The division began a planning stage for the increased representation of state agencies in overseas markets, building on the new Atlantic Community site, record levels of available investment capital in central Europe and the Far East, and the record figures set by FY 86-87 foreign-affiliated investment in the state.

SPECIAL PROGRAMS

The division's mission is to contribute to the agency's effectiveness in attracting and creating new business investments and to improve economic development in South Carolina through several non-traditional programs. These programs include Community Analysis and Development, the State Film Office, Special Projects, a Washington, D.C., office, and the Economic Development Institute.

Community Analysis and Development (CAD)

This program is designed primarily to assist the rural areas of the state but can be applied to any area, rural or metropolitan.

The Community Analysis and Development staff is responsible for planning and conducting analyses of county and multicounty areas of the state. These studies point out the positive and negative aspects of the counties and provide direction to county and community leaders to help enhance the area's economic development potential. The studies, which cover all aspects of life and the economy in the area, take four to six months to complete. During that time, Community Analysis and Development staff live in the area in order to better understand the area's needs and interests. The resulting report is presented to the local leadership with suggestions for its use.

The initial Community Analysis and Development project, which was for Chesterfield and Marlboro counties, was completed in November. The second project, involving Beaufort, Colleton, Hampton and Jasper Counties, began in April and will end next fiscal year.

In addition to the analytical report, prepared after extensive field work and interviews with local officials and citizens, the CAD program was expanded in early 1987 to include a concurrent effort of leadership development. This new effort has been designed to better equip local areas to deal with the multitude of issues concerning rural economic development.

Special Projects

This office identifies and establishes a framework for new or enhanced economic development initiatives. The first project of the office was an evaluation of agribusiness potential in the state. A report was completed in November 1986 and recommended the reorientation of South Carolina's agriculture economy to a concept of market-driven production as opposed to the traditional concept of established crops such as grains, tobacco and fresh market produce. The report and its findings were recommended for implementation to other Development Board divisions and governmental institutions responsible for affecting the growth of South Carolina's agriculture economy.

Preliminary information for the development of a state strategy to improve commercial air service was initiated during the year and will be concluded in the next fiscal year.

Washington Office

This office has as its objectives an expansion of South Carolina's economy through an expanded existing industrial/service base and the recruitment of manufacturing and service industries that supply or support the national defense program.

This office, run under a consulting arrangement, has been successful in aiding in the recruitment of facilities of three major aerospace defense contractors. Under the direction of the office, a S. C. Defense Contractors Association was established and now has 45 members. The association has held four procurement seminars in different locations around the state. The office has established a South Carolina Corporate Group in Washington, which meets periodically to help promote South Carolina's resources for defense contracting. This group consists of more than 85 major defense contractors that have facilities in South Carolina.

Other major activities for this fiscal year included South Carolina's participation in the Paris Air Show. This event was host for hundreds of aviation and aerospace firms from around the world. With the support of South Carolina's congressional delegation, the Washington Office arranged meetings with representatives from South Carolina with show participants.

The office also functions as liaison between the Washington delegation, defense contractors and South Carolina firms. More than 150 business opportunities for South Carolina firms were identified and placed during the year.

Economic Development Institute (EDI)

EDI is the agency's program for transferring information on issues, trends and programs relating to economic development to the state's network of development allies, the business community and local elected officials. During the fiscal year, EDI has conducted closed-circuit information and professional development conferences through South Carolina's Educational Television network on a variety of subjects, such as exporting, marketing communities, strategic planning, small business services, literacy and economic development. These teleconferences are open to the public at 20 sites around the state at university and technical college campuses. Additionally, a number of secondary and public schools have used the teleconferences for their instructional programs.

EDI also has sponsored a number of workshops in association with the South Carolina Economic Developers Association, the South Carolina Bankers Association, and local communities on issues germane to their specific interest. It is estimated that in excess of one thousand professional development and business representatives have been reached directly through the teleconferences or through EDI's video tape library.

Film Office

The film office is responsible for recruiting and facilitating motion picture and television production in South Carolina. The office promotes South Carolina as a major site for the production of feature films, television specials, commercials and other similar media. During the fiscal year, films and commercials were shot on site in various locations around the state.

The state Film Office was closed at the end of the fiscal year as a result of a funding reduction for the agency. Concurrently, instructions were issued to reorganize the program for potential funding in the next fiscal year.

BUSINESS DEVELOPMENT AND ASSISTANCE

The Business Development and Assistance Division's overall mission is to stimulate economic development activity by focusing attention on the potential for business growth within South Carolina. This is done primarily through the formation and growth of new businesses and the retention and expansion of existing business and industry. The division comprises two departments: Existing Business and Industry Services and Enterprise Development.

During the 1986-87 fiscal year, division activities incorporated a wide range of services provided by the agency, as well as other economic development agencies and organizations.

Existing Business and Industry Services

The department's staff established the field consulting program, hiring and training three high-quality contractual consultants to call on existing firms throughout South Carolina. Communications to existing business and industry were expanded beyond buyer/supplier data to include other pertinent information such as products/services, expansion plans, problem areas and joint venture interests.

Field agents visited about 730 South Carolina firms during this fiscal year, and State Development Board staff responded to individual needs, concerns and expansions resulting from the information gathered. Buyer/supplier sourcing referrals also were made.

On-site visits revealed 155 companies interested in expanding, and the department's staff assisted those companies. General follow-up was provided, and in-depth "project" assistance was given to 35 firms.

As part of the Existing Business and Industry Services department, the staff designed a comprehensive data base to manipulate and retrieve information gathered on South Carolina firms. Data base design includes "tracking" of firms and field agent visits, as well as expansion opportunities, buyer/supplier information, problems experienced and business attitude.

To increase business communications, the department designed "South Carolina BusinessLine," a quarterly newsletter mailed to more than 7,000 representatives of existing business and industry. Additionally, a brochure describing department services also was made available.

During the fiscal year, department staff participated in local trade shows and buyer/supplier events, made presentations throughout the state on department initiatives, participated in out-of-state business trips to call on headquarters of existing South Carolina firms, maintained information on supportive service firms in the state and provided data on joint venture and selling interests.

Enterprise Development

The Enterprise Development department provides statewide leadership and coordination in developing the supportive climate across South Carolina for increasing the quality and quantity of new business ventures. Organized in January 1987, the department is composed of the manager and three associate managers.

The staff designed a comprehensive enterprise development strategy and marketing campaign. The strategy concentrates on expanding state and local economic development initiatives to include enterprise (entrepreneurial) development with staff serving as a facilitator and resource to local communities in implementing and expanding such efforts. Major objectives initiated this fiscal year included:

- 1) Raising the awareness that entrepreneurship is a critical tool of economic development;
- 2) Expanding and improving the coordination of existing business assistance providers;
- 3) Improving the availability and accessibility of appropriate forms of capital; and
- 4) Integrating the educational community into the Enterprise Development process.

Staff established coordination with organizations/agencies throughout South Carolina that assist new business persons. This included visits to all 46 counties to identify and evaluate existing resources. Assistance was provided to local communities in filling identified voids, and in-depth community assistance was initiated in eight areas of the state since January.

In the financial arena, staff initiated two major efforts identified as statewide voids: 1) A private, for-profit seed capital fund structure was designed and enabling legislation drafted. A comprehensive marketing plan was developed and briefing booklet prepared for promotional purposes. Legislation will be entered in January 1988. 2) A private investor network (PIN) was designed and a coordination agreement developed with the Economic Enterprise Institute (USC-Aiken). The PIN is designed to match potential investors and entrepreneurs in South Carolina.

In the area of education, coordination was developed with all state sectors including colleges and universities, technical colleges, vocational schools and public and private schools at the secondary level. A school-based enterprise project was designed for South Carolina with the cooperation of the state and local educational community.

Also in the fiscal year, the Enterprise Development department coordinated a statewide teleconference, published the "South Carolina Business Formation Manual," cosponsored the Women's Business Ownership Conference and the Minority Trade Fair, provided in-depth business planning and financial services to potential business owners, made presentations across the state on enterprise development and held four state-level coordinating meetings among business assistance groups.

FINANCE AND ADMINISTRATION

This division provides internal administrative support and control services for the entire agency.

Its functions include budgeting, accounting, personnel, procurement/supplies, fixed asset inventory control, office services, switchboard and receptionist services, and the assignment and maintenance of the agency's state automobiles. The division also is responsible for the maintenance and use of the agency's aircraft.

COMMUNICATIONS AND PUBLIC RELATIONS

The division's primary role is to market South Carolina to the State Development Board's numerous constituencies, including national and international business and industrial prospects, the media, the state legislature, educational institutions, other state agencies, and public and private economic development professionals.

The division accomplishes its objectives through activities in three main areas: Communications, Advertising and Public Relations.

Communications

The State Development Board publishes a monthly newsletter, "Economic Developments," for its 4,000 agency constituents. Each issue includes information on ideas, issues and trends concerning economic development, as well as investment figures and general business news. The Development Board also maintains an array of promotional materials to help market South Carolina to business and industrial prospects. The inventory includes a 16-page, full-color quality of life brochure replete with 15 "subject specific" inserts (in English and Japanese), a brochure targeted toward the defense industry, a warehouse and distribution brochure, a financial incentives brochure, a highway map, four-color ad reprints and publications provided by other state agencies, such as Jobs-Economic Development Authority, the South Carolina Research Authority and the State Board for Comprehensive and Technical Education. Additionally, The Development Board has written, produced and directed two 10-minute economic development films, one in English and one in Japanese, marketing South Carolina's quality of life to the national and international business communities.

Advertising

The Development Board, through its agency, Cook-Ruef Inc., targets advertisements to three major groups: top management, site location specialists and industry-specific decision-makers.

To reach them, the division has run ads in The Wall Street Journal, as well as Fortune, Forbes, Business Week, Area Development, Site Selection Handbook, Aviation Week and Space Technology, National Defense and Chilton's Distribution magazines.

Public Relations

The public relations component of the division primarily involves generating support on legislative issues and building on the existing relationships the Development Board has with outside individuals and organizations.

RESEARCH AND INFORMATION RESOURCES

The division's primary role is to manage the agency's research and information resources to support the Development Board's operational programs and to conduct strategic analyses to meet changing economic trends.

The division conducts research projects and provides information to businesses considering operations in the state. During the fiscal year, the division completed comprehensive and targeted research reports for 44 major national and international prospects. A geographical information system was instituted in collaboration with the University of South Carolina to assist in analyzing labor force trends for prospects. The division also established a building and site program in conjunction with local allies and published several statistical and information series, including the 1987 Industrial Directory, county statistical profiles and capital investment data.

The division also conducts strategic research and serves as a liaison with universities and other organizations for economic and business research. During the past fiscal year, strategic planning projects were initiated on three fronts: forest products (with Clemson University); mining resources (S.C. Geological Survey); and aquaculture (S.C. Sea Grant Consortium).

During the fiscal year, the division managed the installation of an integrated computer system capable of word processing, database, spreadsheet and graphical applications. Easy to use databases were designed for tracking potential and current clients for national and international business development, available industrial buildings and for matching procurement needs with in-state suppliers.

A major new project, the development of the South Carolina Economic Development Electronic Network (SCEDEN), also was initiated during the fiscal year. When completed, this system will serve as a key information utility for immediate access to a variety of data from demographics to quality of life for economic allies throughout the state. This statewide electronic system is anticipated to benefit particularly the rural and smaller communities in the state by giving them ready access to fundamental information for local economic development.

SOUTH CAROLINA
EMPLOYMENT BY SECTOR

1986

1980

RESEARCH

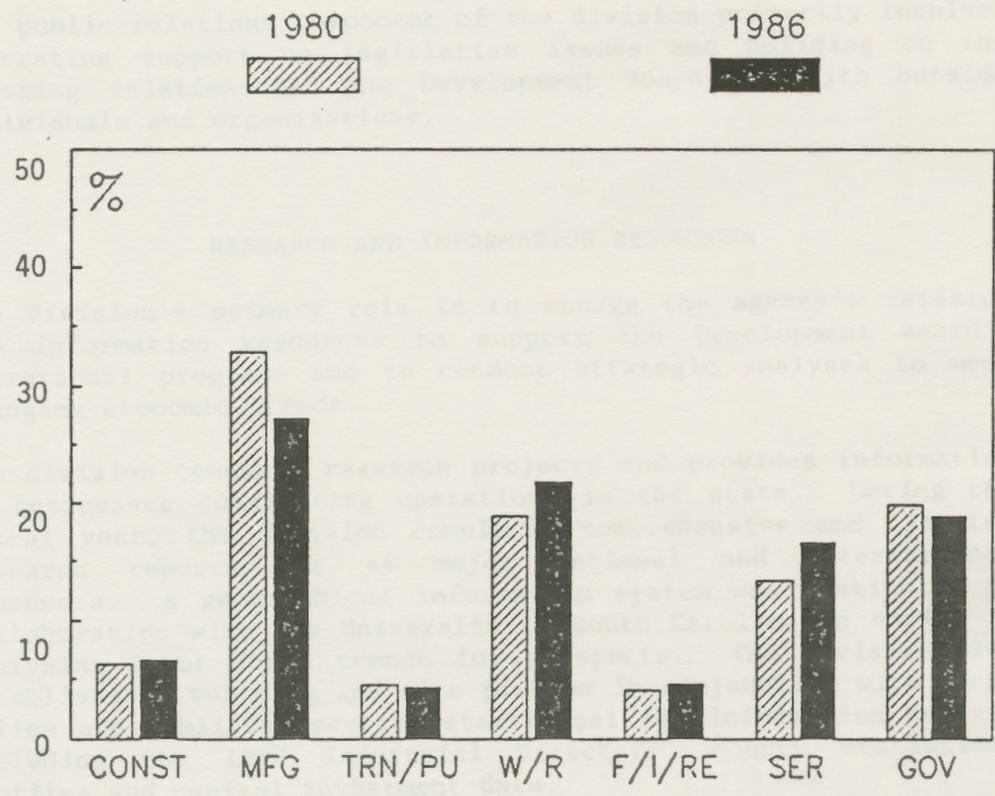


CONST - CONSTRUCTION
 MFG - MANUFACTURING
 TRN/PU - TRANSPORT/PUBLIC UTILITIES
 W/R - WHOLESALE/RETAIL TRADE
 F/RE - FINANCE/INSURANCE/REAL ESTATE
 SER - SERVICES
 GOV - GOVERNMENT

Source: South Carolina Employment Security Commission

A major new project, the development of the South Carolina Economic Development Electronic Network (SCDEN), also was initiated during the fiscal year. When completed, this system will serve as a key information utility for immediate access to a variety of data from departments of the state. This statewide electronic system is anticipated to benefit the state's economic development efforts by providing a central clearinghouse for information on the state's economic development resources. This system is expected to be completed by the end of the fiscal year.

TABLE I
SOUTH CAROLINA
EMPLOYMENT BY SECTOR



- CONST = CONSTRUCTION
- MFG = MANUFACTURING
- TRN/PU = TRANSPORT/PUBLIC UTILITIES
- W/R = WHOLESALE/RETAIL TRADE
- F/I/RE = FINANCE/INSURANCE/REAL ESTATE
- SER = SERVICES
- GOV = GOVERNMENT

Source: South Carolina Employment Security Commission

TABLE II

CAPITAL INVESTMENT
BY MANUFACTURING AND NONMANUFACTURING SECTORS
FISCAL YEAR 1986-87

	ANNOUNCEMENTS	INVESTMENT	JOBS
MANUFACTURING	817	\$1,788,763,000	15,811
DISTRIBUTION	18	\$73,530,000	1,684
OFFICE/ HEADQUARTERS	8	\$1,000,000*	275
RESEARCH	<u>1</u>	<u>N/A**</u>	<u>50</u>
TOTAL	844	\$1,863,293,000	17,770

*Includes 1987 data only.

**Statistics not available.

Source: Research and Information Resources Division
South Carolina State Development Board

TABLE III

CAPITAL INVESTMENT BY MANUFACTURING AND NONMANUFACTURING SECTORS 1978-1986

YEAR	MANUFACTURING		DISTRIBUTION		OFFICE/HQT	TOTAL	
	INVESTMENT	JOB	INVESTMENT	JOB	JOB	INVESTMENT **	JOB *
1978	\$857,233,000	14,173	\$18,850,000	613	501	\$876,083,000	15,287
1979	\$1,541,135,000	21,598	\$17,135,000	380	332	\$1,558,270,000	22,310
1980	\$1,515,643,000	14,530	\$4,280,000	115	133	\$1,519,923,000	14,778
1981	\$2,394,152,000	15,949	\$6,500,000	590	130	\$2,400,652,000	16,669
1982	\$2,394,244,000	11,653	\$10,090,000	316	178	\$2,404,334,000	12,147
1983	\$1,912,696,000	11,281	\$50,732,000	733	160	\$1,337,377,000	12,174
1984	\$1,912,696,000	14,825	\$40,007,000	515	30	\$1,952,703,000	15,370
1985	\$1,400,229,000	12,522	\$36,250,000	852	50	\$1,436,479,000	13,424
1986	<u>\$1,262,728,000</u>	<u>11,832</u>	<u>\$2,350,000</u>	<u>1,354</u>	<u>427</u>	<u>\$1,265,078,000</u>	<u>13,613</u>
1978- 1986	\$14,564,705,000	128,363	\$186,194,000	5,468	1,941	\$14,750,899,000	135,772

* Totals include manufacturing, distribution and office/headquarters.

** Totals include manufacturing and distribution only.

Source: Research and Information Resources Division, South Carolina State Development Board

TABLE IV
ANNOUNCED CAPITAL INVESTMENT BY
MANUFACTURING INDUSTRY
FISCAL YEAR 1986-87

Industry	Number of Firms		Employment		Investment	
	Number	% of Total	Number	% of Total	Dollars (\$000)	% of Total
Food	45	5.5	641	4.1	22,270	1.2
Textiles	102	12.5	1,903	12.0	268,010	15.0
Apparel	50	6.1	2,284	14.4	35,805	2.0
Wood and Furniture	70	8.6	577	3.6	38,115	2.1
Paper and Printing	82	10.0	394	2.5	69,918	3.9
Chemical	63	7.7	606	3.8	356,162	19.9
Metalworking	284	34.7	7,216	45.6	571,849	32.0
Miscellaneous*	<u>122</u>	<u>14.9</u>	<u>2,190</u>	<u>14.0</u>	<u>426,634</u>	<u>23.9</u>
TOTALS	818	100.0	15,811	100.0	1,788,763	100.0

*Represents Tobacco; Petroleum; Rubber and Plastics; Leather; Stone, Clay, Glass and Concrete; and Miscellaneous.

Source: Research and Information Resources Division, South Carolina State Development Board

TABLE V

FOREIGN CAPITAL INVESTMENT
BY MANUFACTURING AND NONMANUFACTURING SECTORS
FISCAL YEAR 1986-87

	ANNOUNCEMENTS	INVESTMENT	JOBS
MANUFACTURING	18	\$421,500,000	3,102
DISTRIBUTION	5	\$18,000,000	405
OFFICE/ HEADQUARTERS	4	N/A*	242
RESEARCH	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL	27	\$439,500,000	3,794

*Statistics not available.

Source: Research and Information Resources Division
South Carolina State Development Board

TABLE VI
 FOREIGN INVESTMENT BY MANUFACTURING PLANTS
 BY COUNTRY
 (\$000)

	<u>Prior to 1980</u>	<u>1980-1985</u>	<u>1986</u>	<u>Percent of Total</u>	<u>Total</u>	<u>Percent of Total</u>
Belgium & Luxembourg	12,905	31,010	1,000	0.6	44,915	1.0
Canada	59,829	22,485	125	0.1	82,439	1.8
France	562,892	48,115	82,450	53.6	693,457	15.1
Germany	884,030	521,686	21,640	14.1	1,427,356	31.1
Great Britain	556,214	538,262	6,477	4.2	1,100,953	24.0
Japan	258,425	218,800	9,000	5.8	486,225	10.6
Netherlands & Antilles	186,575	59,579	3,700	2.4	249,854	5.4
Switzerland	180,401	282,940	4,800	3.1	468,141	10.2
Other*	<u>7,000</u>	<u>4,250</u>	<u>24,717</u>	<u>16.1</u>	<u>35,967</u>	<u>0.8</u>
TOTALS	2,708,271	1,727,127	153,909	100.0	4,589,307	100.0

*Others includes Australia, Austria, Italy, Mexico, South Africa, Sweden and Taiwan.

Source: Research and Information Resources Division, South Carolina State Development Board

TABLE VII

VALUE OF ANNOUNCED FOREIGN MANUFACTURING INVESTMENT
BY INDUSTRY

(\$000)

<u>Industry</u>	1986 <u>Foreign Investment</u>	<u>% of Total</u>	1986 <u>Total Investment</u>	<u>% of Total</u>
Textiles & Apparel	12,300	8.0	229,555	18.2
Paper & Printing	140	0.1	125,558	9.9
Chemicals	27,622	17.9	310,257	24.6
Metalworking	91,317	59.3	384,839	30.5
Others*	<u>22,530</u>	<u>14.7</u>	<u>212,519</u>	<u>16.8</u>
TOTAL	153,909	100.0	1,262,728	100.0

*Includes Food Products; Stone, Clay & Glass; Lumber and Wood Products; Rubber and Miscellaneous Plastics; and Miscellaneous Manufacturing Industries.

Source: Research and Information Resources Division
South Carolina State Development Board

PUBLICATIONS OF THE SOUTH CAROLINA
STATE DEVELOPMENT BOARD

Business Formation and Expansion Manual
BusinessLine Newsletter
Economic Developments Newsletter
Incentive Financing Brochure
Palmetto Foundation Brochure
South Carolina Premier Brochure with Inserts
South Carolina Advantages for Warehouse and Distribution
South Carolina's Advantages for the Defense Industry
South Carolina Industrial Directory
South Carolina Metalworking Directory
South Carolina Production Manual
South Carolina State Development Board Annual Report
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Supportive Services—State of South Carolina
Taxes in South Carolina
Turning Heads, Changing Minds