



# FOREIGN INVESTMENT IN SOUTH CAROLINA: HIGHLIGHTING CHINESE INVESTMENT

United States subsidiaries of foreign-affiliated companies play a vital role in South Carolina's economy. They provide direct and indirect jobs, tax revenue, international trade, leadership, corporate citizenship, and culture. Attracting foreign investment is essential in today's global and mobile economy.

## United States Government Data

According to the latest figures (2006) compiled by the U.S. Dept. of Commerce, Bureau of Economic Analysis (BEA):

- South Carolina has 643 foreign-affiliated firms. The largest representation is from Japan (103), followed by Germany (96), then the United Kingdom (93), Canada (57), France (48), Switzerland (38), and The Netherlands (34). *Note: The BEA data include firms that have total assets, sales, or net income (or loss) greater than \$10 million. A firm is counted only once in the state – even if the firm has multiple facilities.*
- Foreign-affiliated companies (majority-owned) employ 114,300 South Carolinians. This is 7.1 percent of the state's private industry employment – placing South Carolina tied for **first in the nation** in the percent of its workforce employed by foreign-affiliated companies.
- Foreign-affiliated companies (majority-owned) employ 56,800 South Carolinians in manufacturing industries, accounting for 21.8 percent of the state's manufacturing jobs. South Carolina again ranks high among the states – **ranking second in the nation** in the percent of its manufacturing workforce employed by foreign-affiliated companies.
- South Carolina ranks **16<sup>th</sup>** in the nation in the total number of employees (117,600) working for all foreign-affiliated companies.

## South Carolina Department of Commerce Data

The Dept. of Commerce (DOC) has compiled data on foreign investment since before 1960. DOC records show that:

- Foreign-affiliated companies have invested more than \$34 billion in the state.
- Foreign-affiliated companies have created more than 135,000 jobs over the years.

- Foreign-affiliated companies have operations in almost every one of the state's 46 counties.
- Firms from more than 40 countries have operations in South Carolina.

### **Chinese Investment in South Carolina**

To date, Chinese companies have invested more than \$280 million in South Carolina and have created more than 1,400 jobs in the state. A list of those China-affiliated companies is at the end of this document.

### **Chinese Government Signs Memorandum of Understanding with South Carolina**

In May of 2007, South Carolina signed a Memorandum of Understanding (MOU) with the Chinese government to establish and designate South Carolina as a preferred U.S. location for Chinese businesses to operate and identified areas for enhanced cooperation between the two. The MOU was signed during a visit from Wang Chao, Assistant Sec. of Ministry of Commerce of the People's Republic of China.

### **Exports to China Working to Grow Opportunity in South Carolina**

Also in May of 2007, the Chinese Ministry of Railways signed contracts with Harsco Track Technologies, a major global supplier of railway track maintenance equipment and services in West Columbia.

The combined contracts marked Harsco Track Technologies' largest railway track maintenance equipment sales contract in division history. These orders from the Chinese Ministry of Railways were expected to generate more than \$350 million in new revenue over four years. The company anticipates the creation of new jobs at its West Columbia facility to accommodate the contracts.

China was among South Carolina's top ten export markets in 2007. In 2007, the People's Republic purchased more than \$700 million of goods from South Carolina. South Carolina's exports to mainland China were up 28 percent year-over-year in the first quarter of 2008.

### **South Carolina's Shanghai Office**

- The South Carolina Department of Commerce established a state office in Shanghai, China in 2005.
- In 2008, the office was recognized as one of three foreign economic development and investment agencies for its efforts in assisting Chinese companies in investing abroad. South Carolina's state office was recognized at the 2007 "Chinese Enterprises Going Global" National Contribution Award Appraisal event. South Carolina was both the only U.S. and only regional organization to win the award. The other two winners were the federal organizations of Sweden and Australia.

## South Carolina Chinese Investment Highlights

- South Carolina scored a first with the Haier Group, a leading Chinese appliance manufacturer. Haier America in Camden is the company's **first** overseas manufacturing plant. It is also the **first** Chinese company to establish a manufacturing facility in the United States and is still the **largest** investment by a Chinese company in the U.S. (as of 2007). The company currently has 250 employees. Haier's initial announced investment in May 1999 was \$30 million but reached \$40 million by the end of the year. As of 2006, Haier had invested \$60 million in its refrigerator factory. In 2006, the company announced an expansion of \$150 million and 1,000 with an additional \$14 million for an R&D facility.
- American Yuncheng Plat Making Inc. is building a 30,000 sq. ft. facility in Spartanburg that will manufacture engraved printed cylinders used for packaging, decoration, and textile transfers. The company is investing \$10 million and bringing 120 new jobs. This is their **first** operation in North America.
- Techtronic Industries North America, Inc. (TTI) has four facilities in the Upstate – two in Anderson, another in Pickens, and a fourth in Liberty. TTI's South Carolina operations include headquarters, sales, marketing, manufacturing, and distribution of power tools and other outdoor products. TTI recently announced an expansion which should add 140 new jobs to their current employment of close to 700 people.

## South Carolina Other Foreign Investment Highlights

- Michelin began investing in South Carolina in 1973 when it chose Greenville as the location for its **first** U.S. production plant. In 1984, Michelin closed its Akron offices and consolidated its North American headquarters in Greenville. Later, Michelin moved its aircraft tire headquarters from Charlotte to Greenville. Michelin now operates multiple manufacturing plants, an R&D center, and a test track in the state. According to company figures, Michelin has invested more than \$2.28 billion in South Carolina since 1975. The company employs over 7,800 people in South Carolina.
- Fujifilm Manufacturing USA, Inc. also chose South Carolina for its **first** U.S. factory. Since the company's announcement in 1988, Fujifilm has invested more than \$1.4 billion, and its complex includes manufacturing, research, and distribution. In 2007, Fujifilm's Tokyo headquarters named Greenwood the primary worldwide manufacturing site for its Quicksnap one-time use cameras. In full operation, Greenwood will produce more than 80 percent of the worldwide demand for the cameras. Fujifilm has about 900 employees.
- BMW's 1992 announcement to manufacture automobiles in South Carolina represented several firsts. BMW's Greer plant was the company's **first** full manufacturing facility outside of Germany. It was also the most significant automotive news for the South since Toyota's 1985 decision to manufacture vehicles in Kentucky. Plus, BMW's plant was the **fastest start-up** (at that time) from construction to shipment in the auto industry. BMW has 4,500 employees plus additional contract workers. According to company figures, BMW has invested over \$3.5 billion in South Carolina, and its suppliers have invested \$2.1 billion. BMW

has approximately 50 suppliers in South Carolina, of which 40 are new to the state. BMW has 191 suppliers in North America.

- Michelin and BMW are also leading partners in the Clemson University International Center for Automotive Research (CU-ICAR). They and South Carolina's other foreign-affiliated companies are much more than just manufacturing plants.
- The operations of Vought Aircraft Industries and Global Aeronautica (GA) in North Charleston are examples of a global partnership. Vought and GA, a joint venture between United States-based Boeing Co. and Italy's Alenia Aeronautica, have partnered to build and assemble a majority of the fuselage for Boeing's 787 Dreamliner. Just as BMW launched South Carolina's automotive sector, it is hoped that Dreamliner will launch South Carolina's aerospace sector. Combined, the Vought and Global Aeronautica operations employ 700 or more workers and comprise an investment of \$560 million.
- Germany-based adidas AG is building its **largest distribution facility in the world** in Spartanburg. The project includes a \$150 million investment, 1,200 new jobs and a 1.9 million-square-foot complex. When fully operational by Dec. 2009, the center will handle distribution operations for both adidas and Reebok U.S. brands. A smaller adidas distribution center has been in Spartanburg since 1988.
- Daimler AG has several operations in South Carolina. In 2007, the company opened a Sprinter commercial van assembly plant in Ladson capable of producing 32,000 units annually. Their Daimler Trucks North America subsidiary has built Freightliner chassis for motor homes, buses, and walk-in delivery vans in Gaffney since 1995. In 2007, Daimler Trucks North America announced it is moving its sales and marketing division to Fort Mill.
- Other well-known foreign-affiliated companies in South Carolina include BAE Systems, Bridgestone Firestone, GlaxoSmithKline, Honda, Nan Ya Plastics, Robert Bosch, Roche, Siemens, and Square D.

# CHINESE COMPANIES IN SOUTH CAROLINA

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**American Yuncheng Plate Making Inc, Spartanburg, 120 jobs**

*Parent Company: Dongguan Yuncheng Plate Making Group Co, Ltd., Guangdong*

**Bluestar Silicones USA Corp, Rock Hill, 50 jobs**

*Parent Company: China National Chemical Corp aka ChemChina, Beijing*

**China Construction America of South Carolina Inc, Columbia, 25 jobs**

*Parent Company: China State Construction Engineering Corp, Beijing*

**Cosco Container Lines Americas Inc, Charleston, 8 jobs**

*Parent Company: China Ocean Shipping (Group) Company, Beijing*

**Cosco Logistics (Americas) Inc, North Charleston, 8 jobs**

*Parent Company: China Ocean Shipping (Group) Company, Beijing*

**E-P Equipment USA Corp, Inman, 8 jobs**

*Parent Company: E-P Equipment, Hangzhou*

**Fuyao North America Inc, Greenville, 5 jobs**

*Parent Company: Fuyao Glass Industry Group Co, Ltd, Fuzhou City*

**GSP North America Co Inc, Spartanburg, 90 jobs**

*Parent Company: Guansheng Auto Parts Manufacture Co, Ltd, Wenzhou*

**Haier America, Camden, 225 jobs**

*Parent Company: Qingdao Haier Company Ltd, Qingdao*

**Techtronic Industries North America Inc, Anderson (2 facilities), Liberty, & Pickens, 690 jobs**

*Parent Company: Techtronic Industries Co Ltd, Hong Kong*

***Total Employment: 1,229***