



## 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 DEPARTMENT OF COMMERCE DATA

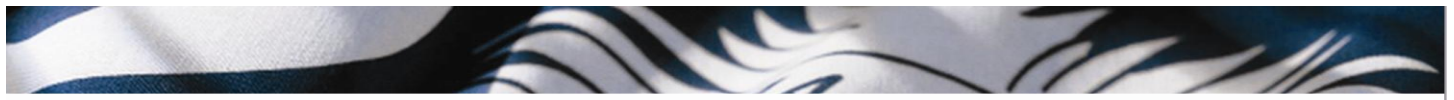
According to the latest figures (2007) compiled by the U.S. Dept. of Commerce, Bureau of Economic Analysis (BEA):

- South Carolina has 746 major foreign-affiliated firms. The largest representation is from Japan (148), followed by Germany (102), then the United Kingdom (95), Canada (63), France (49), Switzerland (43) and the Netherlands (35). *Note: Because the BEA counts a firm only once in a state, even when the firm has multiple facilities, the number of firms is undercounted.*
- Foreign-affiliated companies (majority-owned) employ 112,800 South Carolinians. This is 6.9 percent of the state's private industry employment – placing South Carolina **2<sup>nd</sup> in the nation** in the percent of its workforce employed by foreign-affiliated companies.
- Foreign-affiliated manufacturing companies (majority-owned) employ 54,400 South Carolinians, accounting for 21.6 percent of the state's manufacturing jobs. South Carolina ranks **1<sup>st</sup> among all states** (the District of Columbia ranks 1<sup>st</sup> 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 (112,800) working for all foreign-affiliated companies.

### SOUTH CAROLINA DEPARTMENT OF COMMERCE DATA

The South Carolina Dept. of Commerce has compiled data on foreign investment since before 1960. South Carolina Dept. of Commerce records show that:

- Foreign-affiliated companies have invested more than \$36.3 billion in the state.
- Foreign-affiliated companies have created more than 143,000 jobs over the years.
- Foreign-affiliated companies have operations in almost every one of the state's 46 counties.
- Firms from about 40 countries have operations in South Carolina.



## **CHINESE INVESTMENT IN SOUTH CAROLINA**

The South Carolina Dept. of Commerce has also recorded capital investment from Chinese companies totaling \$301.8 million. A list of current China-affiliated companies is at the end of this document.

## **CHINESE GOVERNMENT 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 creating new jobs at its West Columbia facility to accommodate the contracts.


China was among South Carolina's top five export markets in 2009. In 2009, the People's Republic purchased \$869 million of goods from South Carolina, up 40 percent over the last five years.

## **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 when Haier Group, a leading Chinese appliance manufacturer, located its first overseas manufacturing plant in Camden in 1999. Haier was also the first Chinese company to build a factory in the U.S. Haier's initial investment, announced in May 1999, was \$30 million but had reached \$40 million by the end of the year and \$60 million by 2006. The company has 250 employees and makes refrigerators and related products.

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- American Yungcheng Gravure Cylinder, Inc. has a \$10 million, state-of-the-art facility in Spartanburg that manufactures engraved printed cylinders for the packaging and decorative finishing industries. This is the company's first operation in North America.
  - A few months after acquiring a steel drill plant in Oconee County in 2009, Greenfield Industries, Inc. announced an investment of \$18 million and added 51,000 square feet to the existing facility. The expansion accommodates additional operations and a new North American Distribution Center both of which are projected to add 85 jobs over the next few years.
  - 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 several expansions which should add about 300 new jobs to its current workforce of more than 1,000 employees.

## **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 also moved its aircraft tire headquarters to Greenville. Michelin now operates multiple manufacturing plants, an R&D center, and a test track in the state. According to company figures, since 1975 Michelin has invested more than \$2.28 billion in South Carolina and has more than 7,800 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 decision in 1985 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. In March 2008, BMW announced a \$750 million, 1.5 million-square-foot second plant. The new assembly plant is almost complete and brings BMW's total square footage to 4 million and investment to \$4.6 billion. The expansion increases production capacity to more than 200,000 vehicles a year. The site is the sole global producer of the X5 Sports Activity Vehicle and the X6 Sports Activity Coupe and will soon manufacture the second-generation X3. More than 70 percent of the factory's output is exported to more than 130 markets worldwide. BMW has more than 5,000 employees and approximately 40 suppliers in South Carolina, many of which are new to the state. BMW's South Carolina suppliers have invested \$2.1 billion, and BMW has more than 160 suppliers in North America.
- Michelin and BMW are also leading partners in the Clemson University International Center for Automotive Research (CU-ICAR).
- FUJIFILM Corp. also chose Greenwood, South Carolina, for its first U.S. factory, FUJIFILM Manufacturing USA, Inc. Since the company's announcement in 1988, FUJIFILM has invested more than \$1.4 billion in the state which is now the company's North American Manufacturing and Research and Development Headquarters.



The Greenwood complex is comprised of five high technology manufacturing plants, the Greenwood Research Laboratories, and the largest Fujifilm distribution center in the world. The company manufactures digital and conventional pre-sensitized printing plates, QuickSnap one-time-use recyclable cameras, color photographic paper and inkjet photo paper in Greenwood. In 2009, FUJIFILM announced several expansions. The company moved additional warehousing and distribution operations to Greenwood and also selected Greenwood as the base for a new, state-of-the-art digital print service and fulfillment operation, Fujifilm Printing Services. The service supports many leading retail stores, online photo Web sites and consumers using the FUJIFILM [www.SeeHere.com](http://www.SeeHere.com) photo Web site. Plus, the company moved QuickSnap camera recycling and Waterproof QuickSnap camera assembly and packaging to Greenwood. FUJIFILM has 1,000 employees at its 500-acre complex in Greenwood.

- Roche Carolina broke ground in Florence in 1992 on a multi-phase project that has transformed 1,400 acres into a multi-million-dollar, state-of-the-art pharmaceutical research and manufacturing complex. Roche Carolina is dedicated to the development of manufacturing processes that bring new medicines to market quickly and efficiently through a highly flexible operation that allows it to adapt to new product development and production needs. It is a part of Roche's pharmaceuticals division and is one of Switzerland-based Hoffmann-La Roche's major pharmaceutical facilities in the U.S. Roche Carolina's operations comprise several functions. Its Pharma Tech Center is a premier research and process development laboratory for new products and processes which also includes a Pilot-Scale Production. Roche Carolina's FDA registered manufacturing facility consists of 300,000 square feet of production space designed to produce multiple products simultaneously. In May 2009, Roche Carolina completed a \$60 million expansion of its facility, doubling manufacturing capacity. Roche's initial investment was more than \$300 million. Roche Carolina has more than 300 employees, comprising chemists, engineers, and technicians.
- Germany-based adidas AG selected South Carolina for the company's largest distribution center in the world in 2007. A smaller adidas distribution center had been in Spartanburg since 1988, and the new center opened in Spartanburg in 2010. The \$150 million, three-building facility covers more than 1.9 million square feet, employs more than 1,500 people, and handles distribution operations for adidas- and Reebok-branded apparel, footwear and accessories. The operation also includes credit, customer service and accounting departments. adidas cited Spartanburg's central location to two-thirds of key retailer warehouses as the driving force behind the decision to locate in Spartanburg.
- 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 2008, Daimler Trucks North America moved its sales and marketing division (350 jobs) to Fort Mill from the company's Portland, Oregon, headquarters.
- Other well-known foreign-affiliated companies in South Carolina include BAE Systems, Bridgestone Firestone, GlaxoSmithKline, Honda, Nan Ya Plastics, Robert Bosch, Samsung, Schneider Electric and Siemens.



## Chinese Companies in South Carolina

**American Yuncheng Gravure Cylinder, Inc, Spartanburg, 30 jobs**

*Parent Company: Yuncheng Plate Making Group Co, Ltd, ShanXi*

**Bluestar Silicones USA Corp, Rock Hill, 55 jobs**

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

**China Construction America of South Carolina Inc, Columbia, 13 jobs**

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

**Cosco Container Lines Americas Inc, Charleston, 12 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, 6 jobs**

*Parent Company: E-P Equipment Co, Ltd, Hangzhou*

**Fuyao North America Inc, Greenville, 6 jobs**

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

**Greenfield Industries Inc, Seneca, 161 jobs**

*Parent Company: Top-Eastern Group, Dailan*

**GSP North America Co Inc, Spartanburg, 15 jobs**

*Parent Company: Guansheng Automotive Group Wenzhou Co, Ltd, Wenzhou*

**Haier America, Camden, 225 jobs**

*Parent Company: Qingdao Haier Company Ltd, Qingdao*

**Techtronic Industries North America Inc, Anderson & Pickens, 1,202 jobs**

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

***Total Employment: 1,733***