FOREIGN INVESTMENT IN SOUTH CAROLINA: HIGHLIGHTING CHINESE INVESTMENT

United States affiliates of foreign companies play a vital role in South Carolina’s economy. They provide direct and indirect jobs, tax revenue, international trade, leadership and corporate citizenship while encouraging cultural exchange. Attracting foreign investment is essential in today's global and mobile economy.

EMPLOYMENT BY U.S. AFFILIATES OF FOREIGN COMPANIES IN SOUTH CAROLINA

According to the latest figures (2009) compiled by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA):

- Foreign-affiliated companies (majority-owned) employ 102,600 South Carolinians – 6.9 percent of the state’s private industry employment – placing South Carolina 4th in the nation in the percent of its workforce employed by United States affiliates of foreign companies. Germany, France, Japan and the United Kingdom account for most of the employment in foreign affiliates in the state.

- Of these employees, 57,900 work for companies that primarily manufacture in the United States, placing South Carolina 13th in the nation. For 2007, the BEA calculated that South Carolina ranked 1st among all states in the share of manufacturing employment in affiliates of foreign companies at 21.6 percent (Data for this statistic have been discontinued.)

- South Carolina ranks 17th in the nation in the total number of employees (102,600) working for foreign-affiliated companies.

INVESTMENT BY U.S. AFFILIATES OF FOREIGN COMPANIES IN SOUTH CAROLINA

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

- Foreign-affiliated companies have invested $37.38 billion in the state.

- Foreign-affiliated companies have created more than 149,000 jobs over the years.

- South Carolina has approximately 1,200 operations of foreign-affiliated companies, including manufacturing, distribution, service and retail firms.

- 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 Department of Commerce has recorded capital investment from Chinese companies totaling $307.8 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 United States 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.

China ranked third among South Carolina’s export markets in 2010. In 2010, the People’s Republic purchased almost $2.16 billion of goods from South Carolina, up more than 200 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 August 2010, John Ling, director of the South Carolina office, was named president of the Council of American States in China, an international organization that promotes bilateral cooperation in trade, tourism, transportation, education and investment exchanges. The office was also one of three foreign economic development and investment agencies recognized for efforts in assisting Chinese companies in investing abroad. The award was presented at the 2007 “Chinese Enterprises Going Global” National Contribution Award Appraisal event. South Carolina was both the only United States 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 United States. Haier’s initial investment, announced in 1999, was $30 million but hit $60 million by 2006. The company has 250 employees and makes refrigerators and related products. The *South China Morning Post* reports that Haier makes a 20 percent profit on its operation in South Carolina.
• 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 manufacturing operations and a new North American Distribution Center.

• Techtronic Industries North America, Inc. (TTI) has three facilities in the Upstate – two in Anderson and another in Pickens. TTI’s South Carolina operations include headquarters, sales, marketing, manufacturing and distribution of power tools and other outdoor products.

SOUTH CAROLINA: ADDITIONAL FOREIGN INVESTMENT HIGHLIGHTS

• Michelin began investing in South Carolina in 1973 when it chose Greenville as the location for its first United States production plant. In 1984, Michelin consolidated its North American headquarters in Greenville and in 1998 moved its aircraft tire headquarters to Greenville. Michelin North America, Inc. now operates multiple manufacturing plants across the state producing passenger and light truck tires, truck and bus tires, extra-large earthmover tires, semi-finished rubber products and truck tire retreads. Greenville is also the headquarters for Michelin’s North American R&D center, and the company has a test track and driver training facility in Laurens County. Michelin reports that it has invested more than $2 billion in R&D and another $4.5 billion in capital expenditures in South Carolina. Michelin is South Carolina’s largest manufacturing employer with about 8,000 employees in the state.

• BMW’s 1992 announcement to manufacture automobiles in South Carolina represented several firsts. BMW’s Spartanburg 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 October 2010, BMW celebrated the completion of a $750 million investment that included a 300,000-square-foot addition to its plant and a 1.2 million-square-foot flexible assembly second plant. Spartanburg has become the “expertise center” for BMW’s X Models and is the sole global producer of the X5 Sports Activity Vehicle, the X6 Sports Activity Coupe and more recently the second-generation X3 Sports Activity Vehicle. More than 70 percent of the factory’s output is exported to more than 130 markets worldwide. In 2011, BMW announced it is investing $100 million to launch an X3 SKD (Semi-Knocked Down) export operation in Duncan that will ship 4,000 painted X3 body shells per year for assembly in emerging markets. With this latest investment, BMW Manufacturing Co. in Spartanburg will become the company’s third largest production facility in the world. BMW’s investment in plant and equipment now reaches $5 billion and a production capacity of 260,000 vehicles a year. BMW has more than 7,000 employees and approximately 40 suppliers in South Carolina, many new to the state. BMW has about 170 suppliers in North America. BMW’s site also includes the BMW Zentrum, an exhibition and visitors’ center, and the BMW
Performance Center where customers can pick up their cars and take a driver training course on the test track.

- Michelin and BMW are also leading partners in the Clemson University International Center for Automotive Research (CU-ICAR).

- FUJIFILM Corp. also chose South Carolina for its first United States factory, FUJIFILM Manufacturing USA, Inc. in Greenwood. Since the company’s announcement in 1988, FUJIFILM has invested more than $1.5 billion in the state which is now the company’s North American manufacturing and R&D 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. Greenwood is also the base for a 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 photo Web site. Plus, the company recycles QuickSnap cameras and assembles and packages Waterproof QuickSnap cameras in Greenwood. FUJIFILM has 1,000 employees at its 500-acre complex.

- 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 investors in South Carolina include BAE Systems, BASF, Bridgestone, GlaxoSmithKline, Honda, Nan Ya Plastics, Robert Bosch, Saint-Gobain, Samsung, Schneider Electric, Siemens and ThyssenKrupp.
Chinese Companies in South Carolina

American Yuncheng Gravure Cylinder, Inc, Spartanburg, 30 jobs
Parent Company: Yuncheng Plate Making Group Co, Ltd, ShanXi

Au’some LLC, Sumter, 120 jobs
Parent Company: Candy Novelty Works Ltd, Hong Kong (Scheduled to open 3rd Q 2011)

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, 201 jobs
Parent Company: Top-Eastern Group, Dalian

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: 1,893