

## **FOREIGN INVESTMENT IN SOUTH CAROLINA: HIGHLIGHTING CHINA**

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 (2012) compiled by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA):

- Foreign-affiliated companies (majority-owned) employ over 115,900 South Carolinians – 7.6 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 United States affiliates of foreign companies.
- German-owned affiliates have the largest share of affiliate employment in the state, followed by French-owned and Japanese-owned affiliates.
- Manufacturing affiliates account for the majority of jobs and put South Carolina 12<sup>th</sup> in the nation for the number of people. The state has significant employment in transportation equipment and plastics and rubber products manufacturing.

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

Department of Commerce records show that since 2011:

- Foreign-affiliated companies have invested almost \$11 billion in the state.
- Foreign-affiliated companies have created more than 150,000 jobs over the years.
- South Carolina has more than 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 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 almost \$669 million. A list of current China-affiliated companies is at the end of this document.

### **CHINA MEMORANDUM OF UNDERSTANDING WITH SOUTH CAROLINA**

In 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. The MOU identified areas for enhanced cooperation and was signed during a visit to South Carolina by an official with the Ministry of Commerce, People's Republic of China.

### **EXPORTS TO CHINA: WORKING TO GROW OPPORTUNITY IN SOUTH CAROLINA**

China ranked first among South Carolina's export markets in 2013, purchasing goods valued at \$4.2 billion – up 388 percent over the last five years. Transportation equipment and chemicals are the state's leading exports to China.

### **SOUTH CAROLINA'S SHANGHAI OFFICE**

The South Carolina Department of Commerce established a state office in Shanghai, China in 2005 where John Ling serves as director. The office was recognized at the 2007 "Chinese Enterprises Going Global" National Contribution Award Appraisal event for its assistance in helping Chinese companies invest abroad. South Carolina was the only state and the only regional organization to win the award.

### **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.
- Peak Corporation, manufacturer of automotive lifts announced plans in November 2014 to establish its U.S. manufacturing operations in Clarendon County. The company is investing \$6.6 million over five years and is expected to create 59 jobs in Manning, SC. The facility will house the manufacturing and processing of hydraulic products and lifts.
- Chinese textile company Keer Group selected Lancaster County for its first facility outside of China in December 2013. Keer will operate a 230,000-square-foot manufacturing facility in Indian Land set to open April 2015. There the company will produce industrial cotton yarn, taking advantage of South Carolina's location within the heart of the nation's cotton-producing region. The company's \$218 million investment is expected to create 501 jobs within five years. Phase One will employ 160 workers.

- Bluestar Silicones opened a new manufacturing facility and R&D center in York in 2012. The R&D center is the company's central R&D location for North America and will accelerate product development and market expansion. The manufacturing operation produces a range of silicone technologies, including liquid silicone rubbers, high consistency rubbers and other products. Sales, marketing and technical service functions are also in York.
- 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, Dalian Top-Eastern Group announced an investment of \$18 million and added 51,000 square feet to the existing facility. The expansion included additional manufacturing space and a new North American Distribution Center at Greenfield Industries, Inc.
- 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 distributing power tools and other outdoor products.

### **SOUTH CAROLINA: OTHER 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 has invested more than \$2 billion in R&D and \$5 billion in manufacturing 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 Manufacturing Co. in Spartanburg was the company's first full manufacturing facility outside of Germany and the fastest start-up, at that time, from construction to shipment in the auto industry. In 2010, BMW opened a new, flexible assembly second plant, increasing its footprint to more than 4 million square feet. Spartanburg is now the "expertise center" for BMW's X Models and is the sole global producer of the X3 Sports Activity Vehicle, the X5 Sports Activity Vehicle, the X6 Sports Activity Coupe and, in 2014, the X4. BMW's investment in plant and equipment will hit \$6 billion with a production capacity of 350,000 vehicles a year after the addition of the X4 to the plant's line-up. More than 70 percent of the factory's output is exported to more than 130 markets worldwide, and BMW Spartanburg now has a SKD (Semi-Knocked Down) export operation that ships painted body shells to emerging markets. BMW Spartanburg is the company's third largest

production facility in the world and has more than 8,000 employees and 40 suppliers in South Carolina, many new to the state. BMW has about 270 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 driving course on the test track.

- Michelin and BMW are leading partners in the Clemson University International Center for Automotive Research (CU-ICAR), an advanced-technology public-private research campus in Greenville.
- FUJIFILM Corp. also chose South Carolina for its first United States factory, FUJIFILM Manufacturing USA, Inc., in Greenwood. Since 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 QuickSnap recycling and a state-of-the-art digital print service and fulfillment operation, Fujifilm Printing Services. FUJIFILM has 1,000 employees at its 500-acre complex.
- Other well-known foreign investors in South Carolina include Adidas, BAE Systems, BASF, Bridgestone, Continental, Daimler, GlaxoSmithKline, Honda, Nan Ya Plastics, Robert Bosch, Saint-Gobain, Samsung, Schneider Electric, Siemens, ThyssenKrupp and ZF Group.

## CHINESE COMPANIES IN SOUTH CAROLINA

**3S International Corporation, Laurens, 45 jobs**

**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*

**Bluestar Silicones USA Corp, York, 83 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, 380 jobs**

*Parent Company: Dalian Top-Eastern Group Co Ltd, 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 Co Ltd, Qingdao*

**JN Fibers Inc, Richburg, 318 jobs** (to open 3<sup>rd</sup> Q 2014)

*Parent Company: Cixi Jiangnan Chemical Fiber Co Ltd, Zhejiang*

**Keer Group, Indian Land, 501 jobs** (to break ground 1<sup>st</sup> Q 2014)

*Parent Company: Keer Group, Hangzhou*

**Lau Rubber & Plastics LLC, 10 jobs**

*Parent Company: Lau's Industry Inc, Guangzhou*

**Origin Point Brands LLC, Charleston, 40 jobs**

*Parent Company: Hebei Minmetals Co Ltd, Shijiazhuang*

**Peak Corporation, 59 jobs**

**Wellman Plastics Recycling, Florence, 50 jobs**

*Parent Company: Pret Industries, Shanghai*

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

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

**Uniscite Inc, Laurens County, 100 jobs** (to open 1<sup>st</sup> Q 2014)

*Parent Company: Uniscite Ltd, Taiyuan*

***Total Employment: 3,253***