

## German Industry in SC

Foreign companies play a vital role in South Carolina's economy. Foreign firms from more than 40 countries employ approximately 100,000 workers in the state. Attracting foreign investment is essential in today's global economy and the state of South Carolina has a long history of welcoming and growing manufacturing and research and development operations of multinational corporations.

The state of South Carolina has recorded capital investment from German companies totaling over \$4.1 billion since 2011, creating more than 9,000 new jobs in the last four years. There are over 160 German companies in the state, employing nearly 27,000 South Carolinians. Germany is South Carolina's 3<sup>rd</sup> largest trade partner purchasing more than \$3.8 billion in products in 2014. With investment topping \$1.1 billion in 2014, German companies accounted for nearly one-third of all FDI and nearly one-half of jobs created by FDI in South Carolina.

BMW North America is the largest German company based in South Carolina. With approximately 8,000 employees, BMW has invested more than \$6 billion in South Carolina since beginning operations in 1992. Since beginning production in 1994, BMW has expanded its plant every two to three years, and six different vehicles, plus their variants, have rolled off the assembly line. Today, the BMW facility in South Carolina produces more than 1,100 vehicles a day. In addition to manufacturing, BMW's operation in South Carolina includes an Analysis Center, a Testing Facility, and a Process Development Center. BMW's manufacturing plant in South Carolina is the company's only full manufacturing facility located in North America.

The following industry giants represent just a few of the many major German firms with a presence in South Carolina:



### Advantage South Carolina

Strategically located between New York City and Miami, South Carolina's exceptional transportation opportunities make reaching markets an easy task.



Thanks to its world-class business environment, skilled workforce, transportation infrastructure and close proximity to manufacturing firms in diverse industries, South Carolina has succeeded in attracting substantial capital investment from around the world.

**#1 South Carolina ranks first among US states for jobs created by new and expanding international firms.**

IBM Global Location Trends Report, 2014

Several key competitive advantages distinguish South Carolina as a business location:

**Low Cost of Doing Business** – South Carolina businesses thrive thanks to lower operating and capital costs, including nearly all aspects of managing a business, from employee wages to utilities, construction and taxes. The cost of living in South Carolina is 12 percent less than the national average and is the 10th lowest in the nation. The average salary in South Carolina ranks the 6th lowest in the nation and 2nd lowest in the Southeast region. Construction costs in South Carolina are the 6th lowest in the United States and the 4th lowest in the Southeast. Business-friendly regulations and smart investments in energy infrastructure give South Carolina the region's most affordable power costs. Industrial power costs in the state average only 6.25 cents per kilowatt hour, the lowest in the Southeast. The average South Carolina industrial electricity rate is among the lowest in the nation and 11 percent less than the national average of 7.01 cents per kilowatt hour. Compared with

other southeastern states, South Carolina offers very low rates for natural gas to industrial users. The average price to industrial users in 2014 was \$6.11 per thousand cubic feet, lower than Florida, Georgia, North Carolina, and Tennessee.

**Workforce and Education** – With a labor force of over 2.1 million people, South Carolina businesses can rely on a stable, highly-skilled, and efficient workforce at competitive wage rates. Among the 50 states, South Carolina boasts one of the top ten fastest growing labor forces nationwide and as a right to work state businesses in South Carolina can operate free from disruptive work stoppages.

**Transportation Infrastructure** – Served by 5 interstate highways, an efficient port with numerous worldwide shipping connections and the capability to support post-Panamax vessels, two Class One rail carriers, and six primary airports, South Carolina offers manufacturers numerous means of reaching customers and suppliers around the world.



**Favorable Tax Climate and Incentives** – An independent research group, The Tax Foundation, ranked South Carolina the state with the 12th lowest corporate income tax in the United States in 2014. South Carolina offers the following tax advantages:

- No state property tax
- No local income tax
- No inventory tax
- No sales tax on manufacturing machinery, industrial power or materials for finished products
- No wholesale tax
- No unitary tax on worldwide profits

- Favorable corporate income tax structure and one of the lowest rates in the nation

In addition, South Carolina offers a host of tax incentives to businesses choosing to locate or expand their manufacturing operations in the state:

- Job Development Tax Credits
- Economic Development Set-Aside Grants
- Corporate Headquarters Tax Credits
- Research and Development Tax Credits

### Recent Investments from Germany

Since 2011, companies from Germany have announced over \$4.1 billion in capital investment creating more than 9,000 new jobs. The table below highlights a few of these recent announcements.

| New and Expanding German Companies<br>South Carolina, 2011-2015 |       |                    |
|---|-------|--------------------|
| Company   | Jobs  | Capital Investment |
| BMW Manufacturing   | 1,100 | \$1 Billion        |
| ZF Group  | 1,650 | \$605 Million      |
| Continental Tire  | 1,700 | \$500 Million      |
| Daimler Vans Manufacturing, LLC                                 | 1,300 | \$500 Million      |
| Robert Bosch LLC  | 300   | \$125 Million      |
| Bosch Rexroth   | 210   | \$90 Million       |
| Schaeffler Group  | 360   | \$76 Million       |
| Tognum America  | 30    | \$62 Million       |
| BASF Corporation  | 25    | \$62 Million       |

South Carolina has an office in Europe, with a dedicated staff and a long and successful track record of helping international companies establish, relocate and expand business operations in the United States.



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