

From: Maybank, Burnet R. III <BMaybank@nexsenpruet.com>

To: Maybank, Burnet R. III BMaybank@nexsenpruet.com

Date: 10/7/2014 3:21:48 PM

Subject: ED LS: SC is among the least expensive production sites in the industrialized world

Manufacturing Continues to Bounce Back

By Gambale, Geraldine

Proquest LLC

Economic activity in the manufacturing sector continues to expand, according the Institute for Supply Management (ISM). The most recent ISM report says July's expansion represents the 14th consecutive month of manufacturing growth. The Purchasing Manager's Index (PMI) jumped from 55.3 in June to 57.1 in July. Importantly, the overall economy grew for the 62nd consecutive month, according to ISM statistics. In fact, a survey of manufacturers taken at the end of the second quarter by the National Association of Manufacturers/Industry Week reveals they are optimistic about the future - projecting both the largest increase in capital spending (2.3 percent from Q3 2014 to Q3 2015) as well as the greatest expectations for sales (4.1 percent over the aforementioned period) in more than two years. However, more than 70 percent of those surveyed are still concerned about rising healthcare and insurance costs, as well as taxes and government regulations - issues that may temper their enthusiasm.

Nonetheless, where should those manufacturers who do plan to invest in new or expanded facilities spend their money? Area Development asked that question in its 5th annual survey of location consultants. Their picks for the Top States for Doing Business 2014 - based on overall business environment, labor climate, and infrastructure/ global access and respective sub-factors - are presented in this issue. Our report indicates that, for the most part, the Southern States continue to hold the location consultants' attention, although the industrial Midwest appears to be bouncing back.

A report by the Boston Consulting Group (BCG) argues that a mix of economic forces "is fast eroding China's cost advantage as an export platform for the North American market" (<http://www.bcg.com/documents/file84471.pdf>). **The report further notes, "When all costs are taken into account, certain U.S. states, such as South Carolina, Alabama, and Tennessee, will turn out to be among the least expensive production sites in the industrialized world"** - states that are among those ranked highly by our responding consultants.

If you have any questions about this latest survey, or any of the other features in our Q3 issue, please email me at gerri@areadevelopment.com.

Geraldine Gambale

Editor

Burnet R. Maybank, III

Nexsen Pruet, LLC

1230 Main Street, Suite 700 (29201)

P.O. Drawer 2426

Columbia, SC 29202

T: 803.540.2048, F: 803.253.8277

Cell: 803.960.3024

bmaybank@nexsenpruet.com

www.nexsenpruet.com

NEXSEN | PRUET

Bio

vCard

Home

Practice Areas

Attorneys

Offices

*** CONFIDENTIAL COMMUNICATION *** The information contained in this message may contain legally privileged and confidential information intended only for the use of the individual or entity named above. If the reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or duplication of this transmission is strictly prohibited. If you have received this communication in error, please notify us by telephone or email immediately and return the original message to us or destroy all printed and electronic copies. Nothing in this transmission is intended to be an electronic signature nor to constitute an agreement of any kind under applicable law unless otherwise expressly indicated. Intentional interception or dissemination of electronic mail not belonging to you may violate federal or state law.