

Georgia and Metro Atlanta Recent Scorecards

Georgia and Atlanta scored in Biotechnology, Labor Costs, Financial Services and Reader's Choice in the 2006 Business Facilities Ranking Report. Business Facilities Magazine annually ranks states and/or regions, and metropolitan statistical areas (MSA) on 9 categories for strength and growth. Based on 8 factors, Georgia ranked 5th in the BioTech Top 15, up from the 9th spot in 2005. Among best locations for cost of labor, Georgia was 10 out of the 15. In Financial Services, Georgia scored 9 out of the top 10 states and the Atlanta/Sandy Springs/Marietta MSA came in 22nd out of top 25. A new category for 2006, Reader's Choice, measures the reputation of locations - where respondents prefer to do business. Georgia tied for 5th spot with Arizona and Virginia in the top 10. By MSA, Atlanta ranked in Reader's Choice as 3rd out of 15.

According to Ernst & Young's Beyond Borders: Global Biotechnology Report 2006, Georgia ranks 7th place. Georgia moved from 11th place in 2001. See page 3 for more details.

Inc. Magazine released their list of the top 100 "Hot Cities" for entrepreneurs with 3 Georgia cities receiving the honor. Hinesville-Fort Smith was ranked 69th, Savannah finished 74th and Warner Robins was 85th.

Forbes.com, a web site associated with the well known magazine of the same name, published a survey in August and ranked Georgia 10th among the Best States for Business. Business climate was measured on cost of doing business, labor, regulatory environment, economic climate, growth prospects and quality of life.

Georgia - 10th Best State for Business

population	9,072,580
gross state product	\$345 billion
GSP growth	2.6%

individual category rankings	
business costs	18
labor	18
regulatory environment	4
economic climate	38
growth prospects	19
quality of life	29

according to Forbes.com



Great Find

Check out website
www.forbes.com/lists/2006
for billionaires in Georgia
and other listings.

an Intelligence Report



georgia,usa

Issue III

in this issue

Scorecards
Trends
Georgia's A-
Innovation
Transportation
Workforce Development
International
Industry Highlights
Announcements
Law & Governor's Initiatives



Great Finds

A Market Opportunity in Georgia

Asian Buying Power in 2006

\$7.4 billion

The median income for Asians - \$55,000 - is almost \$10,000 ahead of white households and far ahead of African-American and Hispanic households.

Source: The Selig Center for Economic Growth, University of Georgia

Trends/Outlook

Dr. Rajeev Dhawan, director of the Economic Forecasting Center at Georgia State University, released in August his Forecast for Georgia and Atlanta and gives Georgia's economy an overall grade of A-, up from a B just a year and a half ago.

He reports:

- For the fiscal year ending June 2006, Georgia added 80,000 jobs.
- In the first quarter of 2006, the state's nominal personal income was up by 5.5% compared to a national average of 5.1%.
- Premium jobs (those paying \$45,000 plus) rose by 10,300 in 2005 and will increase by calendar year end by another 15,500 in 2006. Dhawan predicts further growth in 2007 and 2008, with 12,600 and 14,700 jobs respectively.
- Bright spots are cities like Savannah and Brunswick and strong tourism, health care and small business sectors.

"Recruiters say the technology sector is busier than ever. I predict 2,200 jobs in 2007 and another 3,500 in 2008 from this sector," Dwahan reports.

Asian Consumer Market

Georgia Third fastest growing state in the nation

FY2006 - How Georgia Earned its A-

Governor Sonny Perdue sent kudos to his state economic development team led by Commissioner Craig Lesser in August 2006 for a banner year. Governor cited:

- 254 economic development projects located or expanded in FY2006, creating 24,000 jobs and more than \$5.7 billion in new investment, a 140% increase and 303% increase respectively, over 2005.
- 2/3 of the 254 projects were investments outside of Atlanta and Rural Georgia (areas outside of Atlanta, Macon, Savannah, Augusta and Columbus) got \$2.9 billion of those new investment dollars.
- 38 projects represent investments by foreign companies. (see *International*, page 5)
- Expansions from within Georgia represent roughly half the total projects. The remaining half were new companies coming to Georgia.

Georgia Tech

Enterprise Innovation Institute

This institute helps enterprises improve their competitiveness through the application of science, technology and innovation. A new \$80 million nanotechnology research building is underway on Georgia Tech campus.

In 2005, the National Institute of Health awarded researchers from Emory and Georgia Tech \$11.5 million to establish a program focused on creating advanced nanotechnologies to analyze artery-clogging plaque formation.

In October 2006, the National Cancer Institute selected Emory and Georgia Tech universities for 1 of 7 National Centers of Cancer Nanotechnology Excellence. The \$19 million award will create the Nanotechnology Center for Personalized and Predictive Oncology.

Innovation - Aerospace

The National Aerospace Development Center chose Alpharetta, Georgia as its base of operations for the National Aerospace Workforce Solutions Initiative.

EMS Technologies, Inc. in Norcross announced in October that NASA's Jet Propulsion Laboratory has awarded it a \$1.2 million contract to provide Ka-band antennas for the Mars Science Laboratory.

Gulfstream Aerospace, a wholly owned subsidiary of General Dynamics, has begun construction on a new Savannah Service and Support Center that more than doubles the size of its current facility. The new center will provide business-jet aircraft support, maintenance and refurbishment and will be completed by the end of 2009. Gulfstream offers a fleet of six different business jets.

Georgia Innovation Centers

Manufacturing Excellence

Life Sciences

Agriculture

Aerospace

Information Technology

Maritime Logistics

The centers of innovations marry resources of research, academics and the private sector.

Industry Highlights, by sector

construction and building materials

New to the Southeast, manufacturers Apex Homes and G&S Metals, are opening plants in Richland and Manchester, respectively.

Xella Aircrete, a leader in European construction materials, will locate its first U.S. plant in Adel. The \$20 million facility will be operational in spring 2007. Xella produces innovative concrete materials which have superior wind load strength, fire resistance, and insulating properties for lower energy consumption. Xella's U.S. headquarters will be in Atlanta.

Another European company is investing in Macon, for a second time. Freudenberg Texbond LP, manufacturer of a nonwoven polyester product used in the roofing industry is expanding its operation and investing \$10 million in a 50,000 square foot facility.

biotech

Georgia has moved from 11th to 7th in 5 years for its number of biotech companies, according to Ernest and Young. Georgia's biotech employs 10,500; companies include: Solvay Pharmaceuticals, Inc., CIBA Vision Corp., C.R. Bard, Inc.

More than 85,000 square feet of incubator space is dedicated to fledgling bioscience companies at Georgia universities.

31 companies were selected to participate in the November Southeast Bio Investor Forum in Atlanta. The event brings together life science based entrepreneurs and investors.

Georgia is on the short list of 18 sites considered for the U.S. Department of Homeland Security for a National Bio and Agro-Defense Facility.

food

In September, National Beef, the nation's 4th largest beef processor, began additional operations in its facility expansion in Moultrie. The facility produces 1.2 million pounds of beef a week servicing 6 Wal-Mart distribution centers and more than 500 Wal-Mart Supercenters. It opened in Moultrie in 2001. "Our Moultrie facility is a classic success story between business, state and local community," says Terry Wilkerson, National Beef executive vice-president for strategic business development.

plastics

Massachusetts-based Barbour Corp. chose Atlanta for its manufacturing of extruded moldings for the marine industry. The South Fulton County location will also be a distribution center.

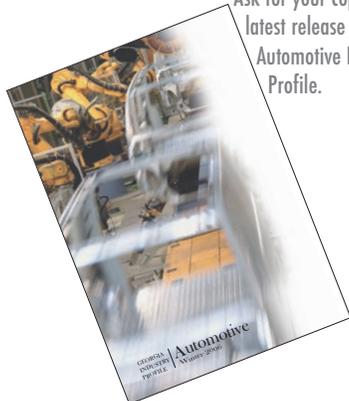
Plastic Tubing Industries will create 30 jobs and invest \$11 million in rural Warrenton. PTI manufactures high-density polyethylene corrugated drainage pipes and fittings. It will be operational summer of 2007.

Manufacturing vs. Service Sectors

In regard to manufacturing, Mike Randle, of *Southern Business & Development* reports, "2004 is the first time since 1996, that manufacturing won out over the service sector in terms of total projects (with 200 or more jobs) in the South."

In FY 06, of the 10 largest deals investing in Georgia, 9 are manufacturing enterprises.

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Headquarters Choose Georgia

A Sampling of 2006 announcements

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Name	County	Headquarters
Walter Industries	Fulton	National Headquarters
Catlin U.S.	Fulton	National Headquarters
Habitat for Humanity	Fulton	World Administrative Headquarters
Interfix Ventures LLC	Fulton	North American Headquarters
Mazor Surgical Technologies	Fulton	National Headquarters
Mueller Water Products LLC	Dekalb	National Headquarters
Safeguard Storage Properties	Fulton	National Headquarters
Redeem Pic	Fulton	U.S. Headquarters
Newell Rubbermaid	Fulton	U.S. Headquarters
Hapag-Lloyd	Cobb	Regional Headquarters
JCB Inc.	Chatham	South America Operations Headquarters
Hailun Piano Company	Fulton	North American Headquarters
Xella Aircrete	Fulton	U.S. Headquarters

Hot Off The Press

November - **Automatic Data Processing (ADP)**, recognized worldwide as the leader in global business solutions, announced that the company will locate a business solutions center in Augusta, investing over \$30,000,000 and creating 1,000 jobs. The new center will assist clients using payroll and human resources related applications, as well as automotive dealer-related products and services. ADP has \$9 billion in revenues annually and more than 570,000 clients worldwide.

October - **Hailun Company**, one of China's largest manufacturers of grand and vertical pianos, chose metro Atlanta for the headquarters for its subsidiary, Hailun Distribution LLC. Hailun anticipates a quick penetration of U.S. market with quality instruments already known to musicians in China, Australia and Europe.

October - **Private/non-profit sector partnership offers innovative business model.** Scotland-based Redeem Pic announced it will locate its first U.S. headquarters in Atlanta. Redeem Pic, operating in the U.S. as Recycling Appeal USA, is an international leader in the recovery, reuse and recycling of used printer cartridges and mobile phones. The company has entered into an agreement with United Way. United Way will receive the majority of the proceeds from Redeem Pic's sale of the charity's recycled cartridges and mobile phones.

October - **Newell Rubbermaid Inc.** announced its plans to build a 14-story 350,000 square foot headquarters with a Fall 2008 targeted move-in date. The campus includes a two-acre pond, training center and cafeteria. The Fortune 500 company first came to Georgia in 2003 and has tripled the number of employees over the past 3 years and plans another 300 with this new facility. Newell Rubbermaid Inc. is a global marketer of consumer and commercial products with sales of \$6 billion annually.



"After we open our new international office in Beijing early next year, we expect to introduce many companies, like Hailun, to Georgia's business climate," Georgia Department of Economic Development Commissioner Craig Lesser.

Transportation

Plans to upgrade Georgia's rural airports took flight in July, as the **OneGeorgia Authority Board** approved \$15 million for **AirGeorgia**. The goal of AirGeorgia is to extend rural airport runways to at least 5,000 feet, placing every Georgian within a 30-minute drive of an airport capable of serving 85% of the corporate aircraft flying today.

Roads and Bridges Magazine ranks the reconstruction of I-85/State Route 316 interchange as 6th on its national list of **Top10 Road Projects**. The Georgia project integrates an aggressive managed lanes concept, which is the future of traffic management.

Georgia invested \$2.25 billion in transportation infrastructure in FY 2006.

Georgia is committed to investing in transportation expansions for increased trade and passengers. Georgia invested \$109 million in the Port of Savannah expansion and \$1.25 billion for a fifth runway at Atlanta's Hartsfield-Jackson International Airport. Hartsfield-Jackson added 40 new cities with direct nonstop routes in FY 06.

Doug Marchand, executive director of Georgia Port Authority, reported in his State of The Port speech in October that **business grew 11% at the Brunswick port**.

Atlanta Leads in Nonstop Markets Served & Weekly Departures

	mkts.	departures
Atlanta	245	9,530
Chicago O'Hare	190	9,197
Houston	185	5,952
Dallas/Ft. Worth	163	6,580

Source: OAG Schedule Tables, July 06

Workforce Development

A business unit of MEAG Power, Distribution Services, is among the leadership in Georgia innovating to stem the loss of skilled workers in the utility industry due to an aging workforce. **Distribution Services helped launch a certificate pilot feeder program at South Georgia Technical College** and is a member of the **Center for Energy Workforce Development**.

Georgia is graduating more high school students than ever before. Graduation rate is up to 70%, a 7.5 point gain since 2003. The national average is 75%.

In August, Governor Perdue **launched a workforce training initiative, "Workforce Ready."** This program administered through the technical schools will provide employers documentation of an individual's work readiness. A second phase, to roll out in 2007, is a voluntary program for communities to be designated a Workforce Ready Community when performance criteria is met.

International

Georgia ranks 12th in the nation for **"insourced jobs"** with 175,900 Georgians working for U.S. subsidiaries of companies headquartered abroad. **Nearly 34% of the insourced jobs are in the manufacturing sector.**

Insourcing companies include: Akzo Nobel, Denso US, Nokia, Deutsche Telecom, Nestle USA and Maersk Inc. The latest plums are KIA Motors Corp. of Korea which plans to employ 2,000 and build 650,000 cars by 2010 in West Point, and Georgia's first Chinese investor who will manufacture condiments and food packaging in Newnan.



Great Finds

Visit www.gaworkready.org for more information on Workforce Ready.

The Law

At the future site of BullDog Diesel in Ellenwood, Governor Sonny Perdue announced his proposal to make materials and equipment purchased for the building of biofuel facilities exempt from sales tax. The tax incentive is expected to cost between \$2 million to \$4 million a year.

Labor Commissioner Michael Thurmond announced in October a \$100 million unemployment insurance tax cut in 2007. The tax cut will leave more money in the hands of Georgia's large and small employers. Georgia has the second most solvent unemployment insurance trust fund and the lowest unemployment insurance tax rates in the Southeast.

Georgia's average claim is 11.2 weeks; the national average was 15.2 weeks, year ending August 2006. Georgia's weekly benefit is \$320.

Geoff Segal, policy expert with the Reason

The Governor's Initiatives

Foundation, praised Lonice Barrett, Georgia's Implementation Czar for The Commission for a New Georgia. "The Commission for a New Georgia... fills an all-too-common void in most statehouses where the needs of the bureaucracy are put ahead of those of the taxpayer. ... In just a short time many of their recommendations have been implemented, saving taxpayer dollars and improving customer service. The Commission for a New Georgia has established itself as a pioneer and a leader."

Georgia's Mentor-Protege program, the first of its kind in the nation, that teams prospering companies with smaller emerging businesses, graduated its 3rd class in 2006. Each class goes through an 18-month cycle that includes one-on-one sessions, networking and mandatory progress reports. Mentor companies tutor their proteges on how to incorporate best practices into all areas, accounting, human resources, strategic planning and marketing.



Great Find

Check out website www.georgia.org for more information on the Governor's Mentor-Protege program.

MEAG Power is a public generation and transmission corporation providing wholesale electricity to Georgia's public power utilities. As Georgia's third largest power supplier, MEAG Power also provides statewide economic development services to new and existing industries.

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MEAG Power
75 Fifth Street NW
Suite 850
Atlanta, Georgia 30308