

CEMENT & GLASS MANUFACTURING IN THE CAROLINAS



Construction in the Carolinas is growing faster than in any other part of the U.S.

Location in the Carolinas provides good access to southeastern markets. Competition among railroads means lower transportation cost for fuel and raw materials.

Right-to-work laws & employment-at-will, as well as low unionization and wages.

PROXIMITY TO MAJOR SOUTHEASTERN MARKETS

Within 300 miles/500 km of the Carolinas' borders are:

- Population of more than 40 million people.
- Growing Southeastern metropolitan centers such as Charlotte, Columbia, Atlanta, Richmond, and Jacksonville.
- In 2003, the Carolinas issued 117,417 residential building permits which accounted for 6.2% of all permits issued in the U.S. North Carolina, Georgia, Florida and Virginia are among the top 10 permit issuing states.
- 5-year state population growth is 7% in North Carolina, 6% in South Carolina, 7% in Virginia and 10% in both Georgia and Florida.

SUPERIOR TRANSPORTATION INFRASTRUCTURE

- Four Class I railroads with 37 freight lines operate over 5,500 miles of track throughout the Carolinas.
- Five deep water ports, specializing in intermodal system terminals with interstate and rail access to markets throughout the U.S., are located in the Carolinas. N.C. was the first port operated inland container staging and storage facility in the nation. S.C. is the 4th largest container port in the U.S.
- Charleston ranked 30th (30 Million Short Tons).
- Seven international airports (Charlotte-Douglas, Piedmont Triad, Raleigh/Durham, Wilmington, Greenville-Spartanburg, Charleston, and Myrtle Beach International), along with 9 regional airports, provide a global gateway to and from the Carolinas.
- Crisscrossed with 6 major interstates (I-85, I-26, I-77, I-95, I-20 and I-40) and over 140,000 miles of highway, the Carolinas are linked to seaports, businesses and consumers in all directions. Ninety-six percent of N.C. has access to four-lane highways within 10 minutes.

QUALITY WORKFORCE AND COMPETITIVE WAGES

- The average auto manufacturing wage in the Carolinas is \$13.15 per hour versus \$23.67 per hour nationwide.
- The Carolinas' 75-campus Community College System has emerged as one of the largest in the nation and is recognized as the national leader for its support of economic workforce development and training. Examples of programs are ISO 9000, Total Quality Management, Team Building, Supervisory Development Training, Statistical Process Control and World Class Concepts.
- North Carolina and South Carolina have the lowest union membership rates among the fifty states, 3.6 percent and 4.2 percent, respectively.



Growing the Carolinas' economy is a commitment shared with those charged with protecting our environment.

The Carolinas' offer substantial incentives and tax breaks to industrial manufacturers who locate in the states.

Reliable and affordable electricity from one of the nation's best electric companies – Duke Energy.

INDUSTRY PRESENCE

Some of the largest cement and glass producers in the world call the Carolinas home:

- North Carolina ranks 4th in the U.S. in terms of glass industry shipments and South Carolina ranks 9th.
- Many glass industry leaders have a presence in the Carolinas including PPG Industries, Pilkington, Saint-Gobain, Cardinal Glass, Guardian Industries, Owens-Illinois and Asahi Glass America.
- The following global cement producers are present in the Carolinas: Holcim, Keystone Cement and LaFarge.

ENVIRONMENTAL PERMITTING

- Pro-business environment
- Quick turnaround for most applicants (avg. 6 weeks)
- In line with federal standards

INCENTIVES / TAX ADVANTAGES

In 2004, the North Carolina General Assembly made significant enhancements to its existing incentive tools:

- Jobs Development Investment Grant, a key incentive tool, was expanded to 25 grants per year, cap raised from \$10 to \$15 million, extended to 2006.
- Additional \$20 million secured for One North Carolina Fund (cash incentives).
- Wage test eliminated for Industrial Revenue Bonds.

South Carolina has one of the most attractive tax climates in the Southeast – No state property tax, No local income tax, No inventory tax, No wholesale tax, No unitary tax on worldwide profits.

RELIABLE AND AFFORDABLE ENERGY

- Duke Energy's average industrial rate in the Carolinas is \$0.0406, below the regional average of \$0.042 and significantly lower than the national average industrial rate of \$0.0506.
- Duke Energy's System Average Interruption Frequency Index (SAIFI) is 99.97% in the Carolinas.
- Duke Energy provides free reliability risk management consulting, including forecasted reliability and recommended options, such as safeguards and backups.

