

MEDICAL DEVICES & SUPPLIES MANUFACTURING IN THE CAROLINAS



Significant industry presence.

Established scientific and engineering talent.

Customized training programs, right-to-work laws & employment-at-will, as well as low unionization and wages.

One of the best business climates for companies wishing to expand.

INDUSTRY PRESENCE

Nearly \$3 billion in medical devices and equipment manufacturing revenues were shipped from the Carolinas in 2003, and over 16,000 people are employed in this sector. Some of the major employers include:

GE Medical Systems, Becton, Dickinson and Co., Henry Schein, Teleflex, Bausch & Lomb Inc., St. Jude Medical, Zimmer Holdings, C.R. Bard, and PSS World Medical.

SCIENTISTS AND ENGINEERS

- The Carolinas ranked 11th out of all 50 states with 21,810 Doctorial Scientists and 3,320 Doctorial Engineers.
- In 2005 rankings made by U.S. News and World Report, 6 Carolina school programs in engineering, biological sciences, physical sciences, mathematics, and computer science appear among the top programs.

Duke Univ., Wake Forest Univ., Univ. of North Carolina – Chapel Hill, Clemson Univ., Univ. of North Carolina – Raleigh, and Univ. of South Carolina – Columbia.

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.

MEDICAL RESEARCH ANCHORS

- Numerous medical multi-specialty research facilities, 35 facilities in North Carolina and South Carolina. A partial listing:

North Carolina Neuropsychiatry, Cardiovascular Research Consortium, LLC, New Hanover Medical Research (NHMR), Wake Forest University Baptist Medical Center, Radiant Research, Columbia Gastroenterology Associates, P.A., Gynecologic-Oncology Research and Development, LLC.

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.



The Carolinas have an extensive network of highways and ports that exceed the supply and market needs for medical devices and supplies manufacturing facility.

ENVIRONMENTAL PERMITTING

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

SUPERIOR TRANSPORTATION INFRASTRUCTURE

- 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.
- 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.

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.

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.

