

PLASTICS INDUSTRY IN THE CAROLINAS



Some of the largest plastics, rubber and related chemical facilities call the Carolinas home.

Easy access to anywhere.

Plastic manufacturers in the Carolinas have access to wide range of industries who are large consumers of plastic products.

INDUSTRY PRESENCE

- Over \$16.7 billion in plastics revenues were shipped from the Carolinas in 2002, placing us 5th in the industry for dollars shipped.

Americhem, Bonset America, DuPont, EMS-GRIVORY, Eastman Chemicals, GE Polymerland, KoSa, Owens Corning, Stockhausen Inc., Sterilite Corporation (in 2004, selected South Carolina to invest \$65 million in a new manufacturing and distribution facility), Wellman, Zeus Industrial Products Inc

NICHES AND FACILITIES

- With nearly 800 production facilities, the Carolinas rank 1st and 2nd (S.C. , N.C., respectively), in consumption of PET resins.
- North Carolina ranks 4th in pipe extrusion, 6th in rotomolding, 8th in blowmolding and 10th in most molding machines installed.
- North Carolina also ranks 7th in LLDPE, 7th in PVC, 9th in HDPE and 10th in PP.

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.

Hundreds of potential industrial customers in the Carolinas:

- BMW, Honda, Caterpillar, Bridgestone/Firestone and Fuji.
- Pepsi, Coca-Cola, Nestlé, Wise, Sara Lee, Campbell Soup, Lance and Kellogg's.



The Carolinas offer a solid workforce at a cost below the national average.

Electric utility cost in the Carolinas is below the national average.

Duke Energy's System Average Interruption Frequency Index (SAIF) is 99.97% in the Carolinas.

AVAILABLE, AFFORDABLE, SKILLED LABOR

- The average manufacturing wage in the Carolinas is \$13.20 per hour versus \$18.10 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.

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.

ENVIRONMENTAL PERMITTING

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

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 (SAIF) 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.

