

US NATIONAL CHAMPIONSHIP

The winner



**NATIONAL
CHAMPIONSHIP 2017**

FOR THE SECOND SEASON RUNNING, SOUTH CAROLINA TRIUMPHS IN fDi's NATIONAL CHAMPIONSHIP, BEATING MASSACHUSETTS AND CALIFORNIA TO SNATCH VICTORY. CATHY MULLAN REPORTS

South Carolina's performance in the first round of the fDi National Championship ranking sent it soaring to the top of the table in fDi's south-east conference, before clinching victory as the overall National Champion in the second round.

The state received the highest number of projects (and expansion projects) on a per-capita basis of all four finalists, according to data from greenfield investment monitor fDi Markets. Nearly half of all investments in South Carolina between September 2015 and August 2016 were in manufacturing, which has historically been the most important activity in the state.

According to fDi Benchmark, South Carolina has the highest proportion of employment in industrial manufacturing of all of the final four states, and the state's skilled workforce was cited as a key driver in the investment decisions of several companies, including polyethylene film manufacturer Poly-America, laminate flooring manufacturer Kronotex USA and Akebono Brake Corporation, all of which invested in manufacturing operations in the state in the 12 months to August 2016. Although manufacturing operations remain the biggest industry for foreign investors in the state, business services have been developing in South Carolina and are gaining traction in FDI market share.

Lights go on in Massachusetts

Massachusetts, nestled on the New England coast, was runner-up in this year's National Championship, receiving the second highest number of FDI projects per 100,000 people (0.94) of all finalists. The majority of the state's investments are in more sophisticated and

developed sectors such as software and IT services (29%), biotechnology (20.3%), business services (10.1%) and financial services (8.7%). The state has a reputation for innovation and is home to Massachusetts Institute of Technology and Harvard University, which hold first and third place on the QS Top 500 Universities ranking. Canada-based Lumenpulse, which provides LED light solutions, invested in Massachusetts due to its culture of technology and innovation, and the wealth of talent on offer to investors.

California, which came fourth in last year's competition, has climbed to third position. Sixty projects in the 12-month period to August 2016 were in the software and IT sector, which equated to about one-quarter of all FDI in the state and is testament to its reputation as a tech hub. The highest number of foreign investments came from UK companies: 39 in the time period analysed. As China becomes a more dominant economic force globally, and as the pound suffers as a result of June 2016's vote to leave the EU, the composition of investors in the state could change in the coming years if investing in the US becomes more expensive for UK-based companies.

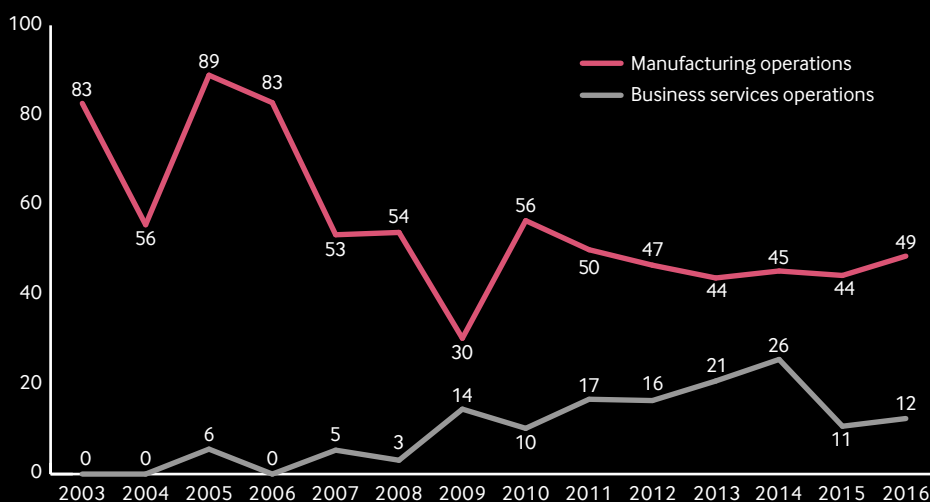
In the mid-north corner of the US, Michigan ranked fourth in this year's championship. The state has traditionally been an industry-based FDI location, particularly in the automotive sector: the 'Motor City' Detroit lies within its borders. In July 2016, Canada-based automotive interior supplier Mitchell Plastics committed to a \$20.5m factory in the state, thanks to a performance-related grant from the Michigan Strategic Fund, an economic development body which helps to fund key investments for promoting growth. ■

THE FINAL

SEMI-FINALISTS

STATE	POINTS
South Carolina	100.00
Massachusetts	70.50
California	50.53
Michigan	40.52

MANUFACTURING AND BUSINESS SERVICES OPERATIONS AS A PERCENTAGE OF TOTAL FDI



Source: fDi Markets

Finalists

SOUTH CAROLINA



MASSACHUSETTS



WINNER

South Carolina

METHODOLOGY

To compile this year's fDi National Championship, the fDi Intelligence division of the Financial Times collected data using the specialist online tool fDi Markets. Data was collected on FDI projects into US states between September 2015 and August 2016, while growth datapoints were worked out comparing this data with corresponding FDI data between September 2014 and August 2015. States were divided into four conferences, grouped geographically. Locations scored up to a maximum of 10 points for each datapoint and each datapoint was weighted to give the overall scores.

DATAPPOINTS

- Projects Sept 15 – Aug 16 (excluding interstate)
- Projects per capita (excluding interstate)
- Business function analysis per 100,000 people Sept 15 – Aug 16 (excluding interstate)
- Growth in projects per 100,000 people (Sept 15 to Aug 16 vs Sept 14 to Aug 15) (nominal) (excluding interstate)
- Number of expansions (excluding interstate)
- Expansions per capita (excluding interstate)
- Projects Sept 15 to Aug 16 (including interstate)
- Projects per capita (including interstate)
- Business function analysis per 100,000 people Sept 15 to Aug 16 (including interstate)
- Growth in projects per 100,000 people (Sept 15 to Aug 16 vs Sept 14 to Aug 15) (nominal) (including interstate)
- No of expansions (including interstate)
- Expansions per capita (including interstate)