

Kia Supplier Meeting Brings Commitments To Visit State

A delegation of nearly 30 Alabamians traveled to Seoul, South Korea, in late November for an Alabama/Korea Business Seminar, and left with commitments from many automotive suppliers to visit sites in Alabama for the Kia project in West Point, Ga.

A total of 18 Kia suppliers from South Korea attended the seminar and also met individually with communities and counties from the east Alabama area. The trip was a follow up to Governor Riley's 11-day Business Mission in July and came on the heels of the formal Kia groundbreaking about a month ago. A seminar also was conducted in July to introduce the state to potential new Kia suppliers.

"The Alabama Development Office (ADO) has assigned Linda Swann and David Hutchison as the primary points of contact for any Kia suppliers who might want to visit the state," said ADO Director Neal Wade. Wade encouraged the Kia suppliers "...to begin their site search with formal contact with the State so that we can help them locate the best site for their manufacturing plant."

With regards to state incentives for Kia suppliers, Wade emphasized that if a supplier is considering multiple Alabama sites, the state incentives offered will be the same for any Alabama location. "Of course, local communities can vary incentives based on their individual analysis of the project," he added.

Last month, Gov. Riley announced that three Kia suppliers are locating plants in Alabama, bringing 440 new jobs to the state. These plants will be located in Opelika, Tallassee, and Dadeville. "We've made no secret of the fact that we were going to compete hard for Kia suppliers," Gov. Riley said. "Alabama has an outstanding workforce and a state government and communities that are more than ready to partner with new industries."

Sponsors for the seminar in Korea included Gov. Riley, ADO, the Alabama State Port Authority, Alabama Electric Cooperative, Alabama Gas Corp., Alabama Power Co., AAA Cooper Transportation, the City of Auburn, Chambers County, Dunn Building Co., LLC, the Eufaula-Barbour County Chamber of Commerce, Goodwyn Mills & Cawood, Lake Martin Area Economic Development Association/Coosa & Tallapoosa Counties, Major & Co., Marshall Design-Build, the Montgomery Area Chamber of Commerce, the City of Opelika, Panalpina, the Phenix City Chamber of Commerce/Russell County, RACO General Contractor, Randolph County, Regions Bank, Rodl Warren Averett LLC, and Southeast Alabama Gas District.



B.H. Kang, center, and Han, Duk-Kyn, left, meet with Phenix City Mayor Jeff Hardin, far right, and Vic Cross, president of the Phenix City Chamber of Commerce.

Mercedes Supplier Erbsloeh Breaks Ground in Pell City

PELL CITY -- German automotive trim manufacturer WKW Erbsloeh broke ground in Pell City in late November on its first North American parts facility.

The company, based in Wuppertale, Germany, is investing more than \$15 million to build a 130,000-square-foot facility to produce trim parts for Mercedes. The company plans to hire 100 employees initially and then increase its workforce to about 300 after three years of operation.

This is the third German-based auto manufacturer in the last two years to select Pell City for its North American home.

Alabama On Radar

Alabama can expect more South Korean businesses to locate here because of the early success of Hyundai.

Economist and professor SangMan Lee shared his prediction with Alabama State University (ASU) students and business leaders at the launch of a new academic and economic partnership.

Lee will spend the year overseeing ASU's new East Asian Institute for Business Research and Culture, a program that aims to promote cultural understanding and business with Korean companies.

Lee said information and electronics companies are interested in Alabama after seeing the pro-Korean business environment that has been created to support Hyundai.

100 New Jobs Coming to Selma

SELMA -- New Gas Concepts, Inc. will build a wood pellet manufacturing center here that will employ 100 people.

The company is investing \$60 million into the project and is considering adding another facility in Alabama sometime next year. The new Selma mill is expected to be running by the end of 2007.

Honda Celebrates Milestone at Lincoln Plant

LINCOLN -- Honda held a celebration in November at its Alabama plant with Gov. Bob Riley to mark the one millionth Alabama-made Honda produced at the plant. More than 2,000 employees-one shift of the factory's work force-filled the courtyard between the two assembly lines.

The roll-off of Honda Manufacturing of Alabama, LLC (HMA)'s one millionth vehicle comes less than five years after the start of mass production at the \$1.3 billion facility on Nov. 14, 2001.

"Our associates' ability to reach this production milestone so quickly has enabled Honda to meet the needs of a record number of customers," said Rick Schostek, HMA senior vice president. "Even more impressive has been their commitment to provide these customers with products of the highest quality. We salute the accomplishments and determination of our outstanding team of associates."

HMA is the sole North American production source of the Odyssey minivan, a designation earned with the start of production of the 2005 model Odyssey. In October, it was announced that HMA would also become the sole production source of the Honda Pilot sport utility vehicle.

Since the start of production in 2001, HMA's production mix breaks down to about 810,000 Odyssey minivans and about 190,000 Pilot SUVs.

HMA employs more than 4,500 associates at its Lincoln facility. Production on the two assembly lines at HMA's 3.2-million-square-foot facility exceeds 300,000 vehicles and V-6 engines annually.

Gov. Riley said that a study released in November shows that Honda and its suppliers account for \$4.5 billion a year in economic impact, a figure equal to three percent of the state gross product. Sam Addy, the associate director of the Center for Business and Economic Research at the University of Alabama who headed the study,



said the findings show that Honda was well worth the \$248 million in incentives from state and local governments that helped to attract the company and enticed it to expand.

"That Honda is good for Alabama is common knowledge, Addy said. "What is surprising is the magnitude of the company's impact on the state. The state will get back many times the investment to land Honda."

Gov. Riley said the state's economy-which has also been boosted by Mercedes-Benz in Vance, Hyundai in Montgomery, Toyota in Huntsville and suppliers across the state- is not too dependent on the automotive industry.

"Are we going to continue to expand the automotive sector? Absolutely," he said. "But these don't have to be mutually exclusive. We can do the same thing in aviation, biotechnology, forest products... there is no reason that we can't grow all of these sectors. If you can build that quality and be that efficient in the state of Alabama, then it will apply to any product that you can build."

Nominations South For Trade Award

MONTGOMERY -- The deadline is fast approaching to nominate Alabama companies for the Governor's Trade Excellence Awards. Companies that have successfully undertaken exporting initiatives are invited to enter the competition.

"This award highlights the importance of building Alabama's economy and creating jobs by increasing our exports," said Gov. Bob Riley. "It recognizes Alabama companies that have been successful in overcoming international market challenges through innovation and leadership.

Companies may nominate themselves or be nominated by a trade association, customer or anyone familiar with their achievements. A panel from the Export Alabama Trade Alliance selects recipients of the award. Alabama companies that won the award in 2006 included Altec Worldwide, Masland Carpets, SirsiDynix, Navigator Development Group, The Letco Companies and Northern Gulf Trading Group.

Applications can be obtained at www.alabamausa.org or by contacting Hilda Lockhart at 334-242-0442 or at Hilda.lockhart@ado.alabama.gov.

Alabama Ranks High in Top Business Climates

Alabama has ranked eighth in *Site Selection* magazine's 2006 ranking of states' business climates.

The ranking is based 50 percent on a survey of corporate site selectors and 50 percent on states' performance in four categories associated with *Site Selection's* new plant data base. The categories include the state's overall rank in total qualifying new or expanded projects in 2005, new plant performance from 2003-2005, rank per million population

and rank per 1,000 square miles.

Editors said at 50 percent of the final ranking, corporate site selectors' input is crucial. They indicate which 10 states they think have the best business climate based on their experience of managing property assets around the country.

Alabama ranked fourth in the executive survey of business climate rankings.

Business Briefs

Silver Ships Expanding in Theodore

THEODORE -- Silver Ships Inc. is expanding its Theodore shipyard for the second time in two years to support its work in refurbishing aluminum boats for the U.S. Army.

The company, founded in 1985, will spend \$570,000 to construct a boat inspection building and add 10 jobs to its workforce. The company currently employs 40 people.

Honda Unveils Bike at Barber Motorsports

BIRMINGHAM -- Guest from Croatia, Israel and Japan wrapped up a one-week stay in late November at the Barber Motorsports Park, where they checked out and rode the Honda CBR 600 motorcycle for the first time. The journalists and industry leaders were guests of Tokyo-based Honda Motor Com.

Honda chose the track to introduce the new motorcycle to a European audience. The CBR 600 is the third major product launch at Barber, following the Porsche Cayenne and the Ford GT.

The track, built by Birmingham dairy and real estate magnate George Barber, is a major economic engine in Alabama, hosting automobile and motorcycle races throughout the year.

Nikki America Cuts Ribbon in Auburn

AUBURN -- The City of Auburn welcomed another new company in November. Nikki America Fuel Systems is bringing 130 jobs to the area. The company makes carburetors and electronic fuel systems in Japan and North America.

The company is a major supplier to Briggs and Stratton, which is also located in Auburn. Nikki America's president said choosing Auburn was an easy decision. "Auburn is a very beautiful city, very accepting and very

clear. All of Auburn has a high morale," said Yoji Ebara.

The company invested \$9.2 million in the new plant and production is expected to begin in December. Beginning in 1932, Nikki was the first company to commercialize fuel systems in Japan.

Hanil USA Expands in Tallassee

MONTGOMERY -- Hanil USA, a Hyundai supplier located in Tallassee, has announced that it will send parts to Kia once that Korean automaker opens its planned \$1 billion assembly plant in West Point, Ga.

Hanil USA will assemble brake, fuel and power steering tubes for vehicles produced by Hyundai and its sister company Kia. Construction on the 54,000-square-foot plant will begin later this year and the company will employ 120 people when it is completed by next August.

Sikorsy Doubling Workforce in Troy

TROY -- Gov. Bob Riley recently joined Congressman Terry Everett and local officials to announce Sikorsky Aircraft will add 250 jobs at the company's plant in Troy, doubling the company's current workforce there.

The 250 new employees will build assemblies to support production of the Navy's H-60 Naval Hawk helicopter. The Troy facility currently has about 240 employees involved in manufacturing H-60 helicopter tailcones and cabins.

"This expansion is further proof of how important existing industry is to Alabama's thriving economy. By adding these jobs, Sikorsky is not only providing its customers with world-class products, it is also providing jobs for Alabama's world-class workers," said Gov. Riley.

The expansion is part of the Sikorsky's overall plan to increase capacity and expand its supply chain in order to meet growing demand for its line of military and commercial aircraft. The company's Troy facility opened in 1985 and contains 151,000 square feet of manufacturing area situated on 12 acres.