



SHIPBUILDING

Set Sail in Mississippi

While almost all coastal states have active commercial shipyards, Mississippi offers shipbuilders access to both the Gulf Coast and the Mississippi River. As a result, Mississippi has seen a number of shipbuilding companies locate or expand in the state in recent years, including some of the leading names in the industry – Northrop Grumman’s Ship Systems, VT Halter Marine Inc., Trinity Yachts, and Gulf Ship.

An Industry Overview

Commercial shipyards in the Gulf Coast region account for more than half of U.S. industry sales. As this industry continues to grow, Mississippi has seen companies make significant investment. Northrop Grumman expanded and modernized its Ingalls Shipbuilding Operations in Pascagoula to create the first large-scale advanced composite manufacturing facility to produce U.S. Navy and U.S. Coast Guard ships and is Mississippi’s largest private employer with more than 11,700 workers. VT Halter Marine Inc., a world leader in construction of deep water oil rigs, employs more than 450 at its Jackson County shipbuilding facility.

Significant Federal funding is also available to support the shipbuilding industry. In addition to Defense Department appropriations for U.S. Navy shipbuilding, the state of Mississippi is also receiving almost \$2 billion for naval shipbuilding activities on the Gulf Coast in connection with hurricane relief.

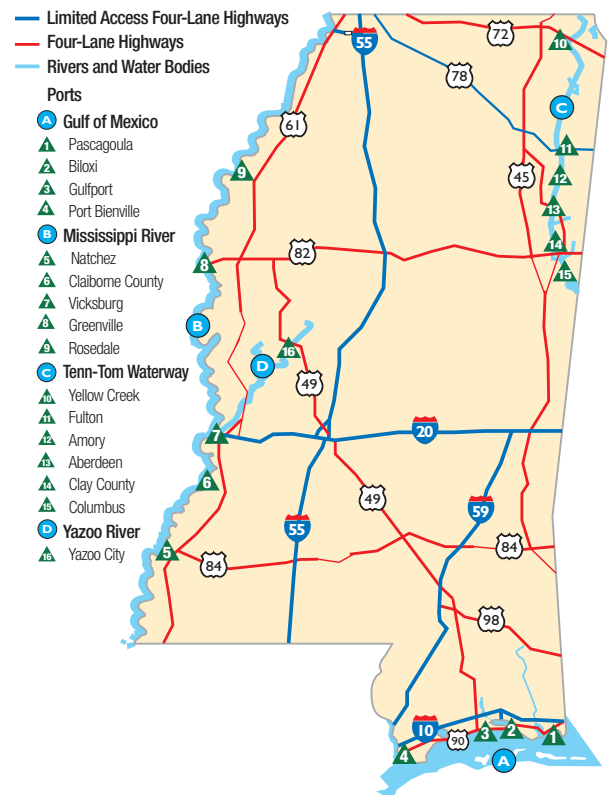
Fast Fact: The University of Southern Mississippi’s nationally recognized polymer program is working with Mississippi shipbuilders to develop advanced composites to build the next generation of ships.

A Prime Location

A coastal location is essential to successful shipbuilding operations. Prime Mississippi locations offer access to key ports along the Gulf Coast and the state’s navigable rivers. Two ports along the coast provide deep water access to worldwide commerce, with the Port of Pascagoula ranking in the top 20 ports in the United States for exports to foreign countries. In addition, Mississippi has two other coastal ports and five along the Mississippi River. The Seaway Business Park in Gulfport offers shipbuilding companies new sites along the Gulf Coast.

A large U.S. Navy presence along the coast is also an important asset to many shipbuilders. Pascagoula is also home to Supervisor of Shipbuilding Pascagoula, a component of the Naval Sea Systems Command.

Mississippi’s highway system ranks among the four best in the country and the best in the southern United States. Interstate 55, which runs north and south, provides access to major markets like Chicago, Memphis, New Orleans and St. Louis, while Interstates 10 and 20, running east and west, provide access to Atlanta, Birmingham, Dallas and Los Angeles.



Mississippi's location, which is central to both U.S. coasts, is within a day's drive of more than 50 percent of the U.S. business population, including such major markets as Atlanta, Birmingham, Dallas, Houston, Little Rock, Memphis, Mobile, Nashville, New Orleans and St. Louis. In addition, more than 20 rail systems serve Mississippi with more than 2,500 miles of track.

Mississippi also is home to 75 airports, including Jackson-Evers International Airport, the state's busiest. Three other major commercial airports can be found in or near the state, including the Gulfport-Biloxi Regional Airport, the Memphis International Airport and the New Orleans International Airport.

Mississippi Shipbuilding
Total Employment 14,368

A Trained Workforce

A well-educated and trained workforce is an essential element to operating a successful shipbuilding facility. The state of Mississippi offers a multitude of resources to ensure that our workforce is prepared to meet the needs of your business.

Mississippi has an eligible workforce of 1.3 million people. The state also has the fifth highest per capita of manufacturing workers in the country. In addition, a number of trained welders are located on the Gulf Coast.

The **Center for Manufacturing Technology Excellence** provides training to companies located in Mississippi. That training option, combined with training available through the state's community/junior college system, offers shipbuilding companies a variety of options for adequately providing its workers with the technical skills needed for success.

In addition to offering a broad education and training program, the state also provides businesses with access to a strong research environment through its universities. Mississippi State University in Starkville is one of the nation's top



research institutions, while the University of Mississippi has been named a **Carnegie II Research Institution**, making it one of the top 125 research institutions in the United States. In addition, the University of Southern Mississippi in Hattiesburg is a national leader in the area of polymer science, with one of the top programs in the United States.

A strong educational system, combined with a growing pool of workers already trained in shipbuilding, ensures that your company will find a highly skilled workforce available to meet your needs.

A Supportive Business Climate

Mississippi offers a strong, supportive business climate, where the cost of doing business is low and many other tools are available to help your business compete in today's economy. Locations within Mississippi offer companies substantial savings compared with many other parts of the U.S.

Economic incentive programs provide income tax credits for job creation, investment, retraining of employees and research and development. The **Mississippi Advantage Jobs Incentive Program** provides quarterly incentive payments based on a percentage of withholding to qualifying companies for up to 10 years, which provides an important cash benefit to new companies locating in the state. Cities and counties may also offer a property tax exemption for qualifying projects.

The **Tort Reform Act of 2004** is another important element of the business climate in Mississippi. This act ensures fairness in the courtroom for Mississippi businesses, with provisions that address joinder and venue; innocent seller protection; and non-economic damages caps.

The **Mississippi Coast Foreign Trade Zone (FTZ)** also offers advantages for ship builders. The FTZ, which is known to be one of the most successful in the United States, accounts for more than 5,500 acres of industrial, port and airport properties in Hancock, Harrison and Jackson counties and includes 14 general purpose zones and four sub-zones.

Mississippi businesses also receive important support from government leaders from the local, state and federal levels. The state's strong congressional delegation holds leadership positions on a number of key committees, including the Appropriations Committee, the Homeland Security Committee, the Energy and Commerce Committee, and the Armed Services Committee.

To learn more about how to set sail in Mississippi, call the Mississippi Development Authority at 1.800.360.3323 or visit our website at www.mississippi.org.