



AUTOMOTIVE SUPPLIERS

Mississippi: A Component for Success

When Nissan chose to locate a new assembly plant in central Mississippi in 2000, it was inevitable that major automotive suppliers would soon follow. The decision by Toyota in February 2007 to locate a new assembly plant in north Mississippi made the state even more attractive to additional suppliers seeking opportunities to locate near their customers. The growing automotive industry has also attracted a state-of-the-art steel mill (SeverCorr) and truck engine manufacturing facility (PACCAR). While many suppliers are located in the Southern Automotive Corridor along with their major customers, almost two-thirds of these new supplier facilities have selected a rural county or town.

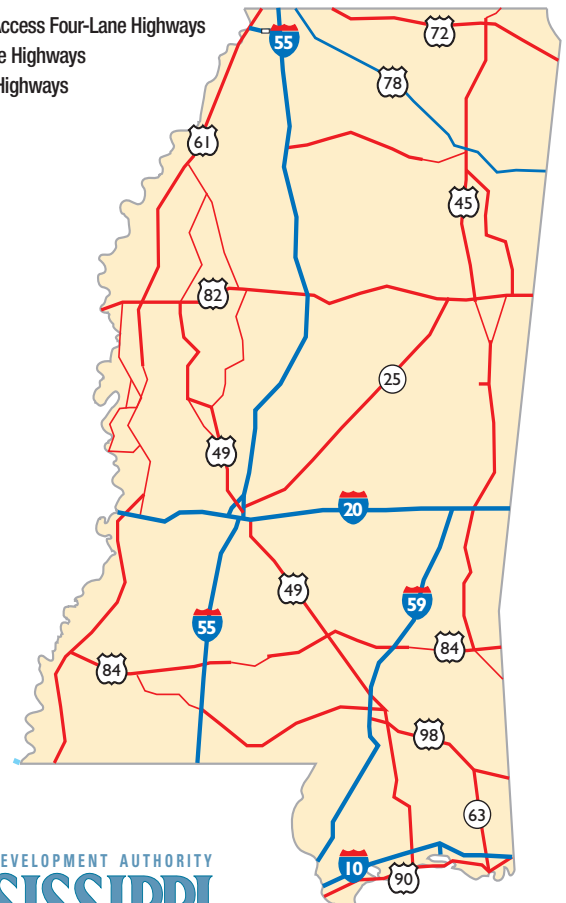
An Industry Overview

Although others are expected, today there are almost 50 Nissan suppliers across Mississippi that employ more than 5,000 people. Within 13 months of Toyota's announcement, five suppliers have announced plans to locate in Mississippi. Some of the Nissan suppliers that now call Mississippi home include Faurecia, Johnson Controls, Tower Automotive, Martinrea Fabco, Lear and Yorozu. The headquarters operations of these companies are based in France, Japan, the United States and other countries around the globe. Toyota suppliers include PK USA-Senatobia Plant, Toyoda Gosei North American Group, and Vuteq USA, Inc.

SeverCorr, the steel mill, serves a growing manufacturing infrastructure in the Southern United States. The facility is located in northeastern Mississippi, with easy access to both rail and Interstate truck routes for fast delivery to more than twelve targeted states. Less than two years after groundbreaking ceremonies, the first phase of the steel plant is operational with all primary lines in production. SeverCorr has dedicated a section of its 1400-acre site for service partners that will process steel directly from the new mill. Three partners have already agreed to build facilities on the site.

In May 2007 PACCAR, a global leader in the design and manufacture of premium light-, medium- and heavy-duty trucks, announced it will build its newest engine manufacturing and assembly plant on a 394-acre site in Lowndes County. Production is expected to begin in 2010.

— Limited Access Four-Lane Highways
 — Four-Lane Highways
 — Primary Highways



Automotive Industry in Mississippi

Total Employment	26,000
Total Automotive Suppliers	198

Fast Fact: Nissan in Canton uses 47 Mississippi suppliers to help produce 1,600 vehicles every day. Five companies have announced plans to build manufacturing facilities in Mississippi to supply the Toyota plant.

An Accessible Location

Because automotive assembly plants are designed for just-in-time production, Tier One suppliers must be able to deliver components within hours or sometimes minutes of when they are needed in the assembly process. Mississippi is located in the heart of the Southern Automotive Corridor that runs along Interstates 65, 75, 85, 20 and 55. This gives





Center for Advanced Vehicular Systems, Canton, Mississippi

automotive suppliers the opportunity to be in close proximity to assembly plants throughout the region.

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, St. Louis, Memphis and New Orleans, 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. Twenty rail systems serve Mississippi with more than 2,700 miles of track, and the state's 16 ports include two on the Gulf Coast that provide access to worldwide commerce.

A Trained Workforce

A well-educated and trained workforce is an essential element to operating a successful automotive supply 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 State University in Starkville is one of the nation's top research and development institutions. It is home to the **Center for Advanced Vehicular Systems**, established in 2001 to embrace the interaction of the state with the automotive manufacturing industry. In addition to the campus location in Starkville, a CAVS extension is also located in Canton near the Nissan plant. 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. This premier **Polymer Research Institute** also includes one of the most advanced rapid prototyping systems in the world. **The Center for Manufacturing Excellence** at the University of Mississippi, which the State of Mississippi established to serve the manufacturing industries of Mississippi as a result of Toyota building a plant near Tupelo.

The **Center for Manufacturing Technology Excellence** also provides training to companies located in Mississippi. That training option, combined with training available through the state's **community/junior college system**, which has been very successful

at training Tier One and Tier Two automotive suppliers to Nissan, offers automotive suppliers a variety of options for adequately providing its workers with the technical skills needed for success.

In addition to trained workers, the state also is committed to providing a strong educational system for worker families. A **Saturday School**, with Japanese language classes, is currently available in central Mississippi, and the state has the capability to offer similar support to other foreign companies, regardless of their country of origin. The Japanese Supplementary School (JSS) will soon open at the University of Mississippi. This school is primarily for the children of Japanese families moving into the north Mississippi area with their companies. The main purpose of the JSS is to help Japanese children maintain their Japanese language fluency and to help them to integrate smoothly into Japanese school life when they return to Japan. All instruction will be in Japanese.

A strong educational system, combined with a growing pool of workers already trained in automotive manufacturing and supply operations, ensures that automotive suppliers will find a highly skilled workforce available to meet their 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 can offer companies substantial savings compared with many other parts of the U.S.

Economic incentive programs provide income tax credits and other incentive payments for job creation, investment, retraining of employees and for research and development activities. 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. In addition, 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.

Mississippi also offers access to **Foreign Trade Zones**, which are located along the Gulf Coast, in the Jackson/Vicksburg area, and in north Mississippi.

Mississippi's Department of Environmental Quality offers manufacturers a one-stop permitting process for all environmental permits and regulations. It is also important to note that the entire state of Mississippi has achieved air quality attainment status.

A right-to-work state, Mississippi's union membership is less than seven percent. And the workforce is well-prepared for jobs in the manufacturing sector, with more than 16 percent of its workers employed in manufacturing, the fifth highest per capita in the nation.

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