



Georgia®

Strategic location,  
attractive incentive  
packages, low taxes  
and operating costs,  
a convenient logistics  
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international connections,  
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## Business Case:

# Georgia is on the mind of Canadian companies

*Peach State's hospitable climate attracts businesses from diverse industry sectors*

When you think about Georgia, the first thing that comes to mind may be the Georgia Aquarium, the World of Coca-Cola, Georgia's famous Southern hospitality and, of course, its delicious juicy peaches. But there's something else Canadian companies find sweet in the Peach State.

Strategic location, attractive incentive packages, low taxes and operating costs, a convenient logistics infrastructure with strong international connections, a growing pool of young talent, a highly-educated talent and a superb quality of life ... These are the factors of success that entice Canadian businesses with a global outlook to expand operations into Georgia. They are also what Canadian companies from industries as diverse as logistics, life sciences, advanced manufacturing, energy, agribusiness, advanced communications, and banking and finance have in common, choosing Georgia as the preferred location for their U.S. activities.

"With Canada being Georgia's top business partner, we want to understand what motivates Canadian businesses to go to Georgia," said Bill Dobbs, director of Business Development for the Georgia Department of Economic Development (GDEcD). GDEcD is a state agency that markets Georgia around the globe, serving as a one-stop shop for accessing the state's assets and finding the right components for business success.

"Georgia is fortunate to have an abundance of qualities that help businesses thrive here," said Ken Stewart, Commissioner, GDEcD. "Our longstanding relationships with Canadian companies have helped connect them to excellent talent in Georgia, as well as low operating costs, dynamic business partnerships and easy access to markets around the world."

One of Georgia's key priorities in Canada, where it has been represented since 1981, is encouraging Canadian businesses to explore its hospitable business climate. The State of Georgia's Canadian office, located in Toronto, is one of GDEcD's four offices in the Americas. Its mission is to promote the state's economic development interests, including trade, tourism and investment recruitment.

"Georgia and the Carrollton community offered the most competitive new facility start-up support."

*Bob Brownlee, president of the Decoma division in Ontario*

Canada is Georgia's number one international business partner and export destination, with 2007 exports to Canada totalling nearly \$4.4 billion. These exports included machinery, transportation equipment, computer and electronic products, chemicals and textiles. In 2007, the total value of commercial activity between Canada and Georgia was \$10 billion. Currently, there are 84 Canadian companies that have a presence in Georgia, and, in 2007, Canada-Georgia business relations supported over 200,000 jobs. Reflecting the significance of Canada on the state's strategic agenda, last year Georgia Governor Sonny Perdue led a state delegation to Montréal for the historic chartering of the Southeastern United States-Canada Alliance (SEUS-Canada) in Savannah, Georgia.

What brings together Georgians and Canadians? "We have asked several Canadian companies why they chose to establish some of their operations in Georgia," said Maria Arbulu, managing director of the State of Georgia Office in Canada.

"Georgia proved to be the ideal location," responded Glen Fell, president and owner of **FELLFAB Limited**, manufacturer of engineered textile products. "We valued the proximity to our customers and our suppliers. We were treated very well by the state, with some unique training and networking opportunities."



The company, which supports global government, aviation and aerospace, and industrial markets for engineered textile products, opened a sales and marketing office in Miami, Florida in 1992. “We very quickly learned that we could advance our opportunity in America if we opened a manufacturing facility as well,” said Fell. In 1994, **FELLFAB** opened a small manufacturing facility in College Park, Georgia, with less than 5,000 square feet and less than 10 employees. “Today, we have, in two locations, in excess of 30,000 square feet and 150 employees at College Park,” says Fell.

**Pattison Sign Group**, a Canadian provider of visual communication that expresses a company’s image, chose to establish one of its five U.S. offices in Norcross, Georgia. The city, about 15 miles north of Atlanta, “maintains a quiet, picturesque downtown district, while along its fringes are corporations doing millions of dollars of business on a daily basis,” states Norcross’ official website.

“Norcross works well for us for two reasons,” said Pierre Pelletier, of **Pattison Sign Group**, who was closely involved in making the decision about the company’s expansion into Georgia. “We have a lot of business – a lot of deliveries – going from Northeast to Southeast. Plus, a good part of corporate America and our key customers, HD Supply being one of them, are in this region as well.”

Bob Shaw, vice-president of operations, **Shaw-Almex Industries**, a Canadian company that manufactures

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large industrial custom presses and is headquartered in Parry Sound, Ontario, made a similar point: “Georgia is closer to our biggest customers, all in the textile industry. Having an office here, we don’t have to pay thousands and thousands of dollars in freight charges to ship from Canada to Georgia.”

Canadian automakers find Georgia attractive, too. Bob Brownlee, president of the **Decoma division in Ontario** that has one of its plants in Carrollton, Georgia, said they chose this location because “it was strategically located to our existing and potentially new customer base. Georgia and the Carrollton community offered the most competitive new facility start-up support.” **Decoma** is part of Magna, the most diversified automotive supplier in the world.

“Diverse as they are, these companies have one pattern in common,” said Arbulu, of the State of Georgia Office in Canada. “They are looking for easy access to their key customers, suppliers, business partners and resources, and they are also looking for a supportive business climate, with the right financial and human development incentives. We are happy to report that Georgia has all these strategic assets and much more.”

## STRATEGIC LOCATION AND STRONG INTERNATIONAL TIES

Home to some of the world’s top global brands, including Coca-Cola and CNN, Georgia is easily accessible by air, road, rail and water. Hartsfield-Jackson Atlanta International Airport, the world’s busiest passenger airport, offers direct international flights to six continents, in addition to more than 150 cities in the U.S. **Due to Georgia’s central location, 80 per cent of the U.S. market is no more than a two-hour flight away.** Taking its position as a global air hub to the next level, Hartsfield-Jackson Airport is set to invest \$5.4 billion in a 10-year development program.

One of the few key – and fastest growing – logistics hubs in the country, Georgia is served by four major interstate highways. **80 per cent of the country lies within a two-day truck haul from the state, known as the gateway to the country’s Southeast.** Georgia’s cutting-edge deepwater ports in Bainbridge, Brunswick, Columbus and Savannah attract international trade and investment, with Savannah Ports being the fourth-largest and the fastest-growing in the U.S.

## ATTRACTIVE FINANCIAL INCENTIVES AND TAX CREDITS

“Capitalizing on Georgia’s favourable geographic location, we also make sure it provides a nurturing and hospitable business environment,” said Dobbs, “Attractive financial incentives are a large part of it.”

Regardless of their size, companies doing business in Georgia are entitled to many tax credits, including:

- A headquarters or new manufacturing facilities tax credit for establishing jobs
- Tax credits designed to accelerate economic growth in Georgia’s competitive industries
- Tax credits for companies that meet specific business needs for manufacturing, warehousing, distribution, processing, telecommunications, tourism, as well as research and development firms

Corporate income tax credits are generally limited to 50 per cent of the taxpayer’s state income tax liability for a taxable year. In certain cases, they may offset up to 100 per cent of the income tax or withholding liability.

“Doing business here is a pleasure. Georgia’s business and public figures understand our needs and are very accommodating. People are friendly, businesslike, and they get things done. Georgia is a nice place to be.” *Brian Oak, Consul General of Canada to Atlanta*



### **YOUNG, GROWING AND HIGHLY-EDUCATED WORKFORCE**

The ninth fastest-growing state in the U.S., Georgia experienced the fourth-biggest jump in U.S. population in 2007, adding more than 162,000 new residents. **Georgia also has the country’s largest employee pool of the young and restless, much sought after demographic of 25- to 34-year-olds.** In fact, more than half of its 4.7-million workforce is in the 20 to 54 age bracket, and these are highly-educated and skilled people. The University System of Georgia (USG) is the fourth-largest in the country, producing 44,000 graduates a year, but the state’s focus on education doesn’t stop at the university doors. Georgia’s award-winning Quick Start program, providing customized - and free - workforce training to qualified businesses in Georgia, is one of the top programs of its kind in the country.



## SUPERB QUALITY OF LIFE

Georgia's hospitality also extends to employees' quality of life. Some of the benefits they enjoy are:

- Low cost of living
- Low property tax and real estate costs
- Low energy costs
- Valuable tax credits
- Attractive professional opportunities, including ongoing workplace training programs, supported by the Employer's Credit for Approved Employee Retraining
- Outstanding healthcare system
- Unparalleled cultural and entertainment options, from an award-winning symphony and world-class museums to boating, golfing and rock climbing

## GLOBAL OUTLOOK AND INNOVATIVE THINKING

Adding to Georgia's hospitality is its truly global outlook and innovative thinking about making Georgia a truly attractive international business centre. This year, the GDEC hired the state's – and the country's – first “International Business Concierge,” Nico Wijnberg of The Netherlands. His role is to welcome business executives, helping them with various relocation issues, such as driver's licenses, housing, banks and schools.

Considering the long list of benefits Georgia has to offer, its international allure is not surprising:

- Over 50 countries have consular, trade or bi-national chamber of commerce offices in Georgia
- Georgia operates 10 international offices around the world, including one in Toronto
- **In 2007, international companies accounted for 16.5 per cent of all the jobs announced in Georgia**
- In the 2008 fiscal year, Georgia hosted 73 trade missions from 50 countries
- **Atlanta hosts the third-largest number of Fortune 500 companies in the U.S., just behind New York City and Houston**
- Canada's Consulate General for the Southeast U.S. is located in Atlanta
- Canadian-based companies operating in Georgia include RBC Financial Group, Four Seasons Hotels, Manulife Real Estate, Quebecor World Inc, Bombardier Transport and Canadian Standards Association, to name a few

While Georgia's advantages are many, its main asset, perhaps, is its people. “Doing business here is a pleasure,” said Brian Oak, Consul General of Canada to Atlanta. “Georgia's business and public figures understand our needs and are very accommodating. People are friendly, businesslike, and they get things done. Georgia is a nice place to be.”

For Canadian companies embracing Georgia's hospitable business climate, the outlook is bright. When they have Georgia on their mind, they win in the global economic game – and Canada stands to become more prosperous.