



Regional Economic Development Partnership

COMPETITOR COUNTRY BUSINESS COST ANALYSIS

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Executive Summary

The following study fulfills one of the integral recommended steps of North Carolina Southeast's (NCSE) International Marketing Analysis and Strategic Marketing Plan. The International Marketing Analysis and Strategic Marketing Plan crafted by NCSE last calendar year is an effort by the partnership to become more proactive in recruiting inward foreign direct investment (FDI) to southeastern North Carolina. The results of that study showed that companies from Germany, Japan, the Netherlands, the United Kingdom, and Canada currently have the strongest presence in the region. These countries are also major trade partners of the United States, especially in top industries found in southeastern North Carolina. In order to further attract FDI from these countries, the International Strategic Marketing Plan calls for a business cost analysis to be conducted that provides a side-by-side comparison of the cost of doing business in southeastern North Carolina to other similar regions in the five targeted countries. The regional comparisons establish a point of reference which NCSE can use to illustrate similarities to familiar locations within the target country for business recruitment. This information will be used by NCSE to show the cost advantages to doing business in southeastern North Carolina, and further encourage international companies to invest in the region.

The information in this study was obtained through independent online research, and from conversations with economic development professionals in North Carolina and abroad.

The following currency conversion rates from July 9, 2013 were used to calculate US dollar amounts in this report¹:

1 Euro = 1.28 US dollars

1 Canadian dollar = 0.9493 US dollars

1 Great Britain Pound = 1.49 US dollars

1 Japanese Yen = 0.0099 US dollars

The following units of measure are to be considered when analyzing data in this report:

1 meter sq. = 10.47 sq. feet

1 hectare = 2.47 acres

1 sq. kilometer = .386102 sq. miles

1 gallon (fluid) = 3.7854118 liters

1 tonne = 1.10 US short tons

1 Japanese tsubo = 35.58 sq. feet

¹ Source: <http://finance.yahoo.com/currency-converter/>

Key Findings

- NCSE is cost competitive with comparable regions in the five countries analyzed in this study.
- Fuel costs and other energy-related costs are generally cheaper in the United States and NCSE than in the countries/regions analyzed in this study.
- Industrial electricity rates in Japan have increased due to the damage that the 2011 earthquake caused to the country's utilities infrastructure.
- North Carolina has the second lowest minimum wage rate of the countries/regions analyzed in this study.
- The union participation rates in the countries/regions analyzed in this study are overwhelmingly higher than the union participation rate in North Carolina.
- In a regional analysis of average weekly wages across eight different industry classifications, NCSE was the cost leader in three industries and competitive in the remaining five.
- Non-business cost assets such as market access, skilled labor, logistics assets, and a low union profile are advantages that NCSE holds over comparable international regions.
- Generally speaking, industrial land prices and other real estate costs are lower in NCSE than in comparable international regions.
- The total corporate tax climate in NCSE is generally lower than the regions analyzed in this study when indirect taxes are taken into consideration at both the federal and regional levels.

Overview of Country-Specific Background Information²

	Germany	UK	Netherlands	Canada	Japan	USA
Land area (sq. miles)	134,584	93,410	13,023	3,511,022	140,734	3,531,837
GDP, current prices (2012, billion US \$)	\$ 3,400.6	\$ 2,440.5	\$ 773.1	\$ 1,819.1	\$ 5,964.0	\$ 15,684.8
Population (2011, per 1,000)	81,798	62,744	16,693	34,484	127,817	311,592
Labor force participation rate (2012, %)	60.1%	61.8%	64.3%	66.4%	59.1%	63.1%
Labor force (2012, per 1,000)	42,698	32,066	8,888	19,268	64,797	159,266
Unemployment rate (2011, %)	5.9%	7.8%	4.4%	7.4%	4.5%	8.9% ³
Labor costs, manufacturing (2011, US \$ per hour)	\$ 47.38	\$ 30.77	\$ 42.26	\$ 36.56	\$ 35.71	\$ 35.53
Import of goods, total (2012, billion US \$)	\$ 1,173.3	\$ 637.2	\$ 492.8	\$ 462.4	\$ 885.8	\$ 2,262.6
Export of goods, total (2012, billion US \$)	\$ 1,416.2	\$ 473.8	\$ 530.6	\$ 453.4	\$ 798.6	\$ 1,479.7
Exports of goods and services (2011, % of GDP)	50.2%	32.5%	83%	31.2%	15.2%	14%
Pump price for regular gasoline (petrol) (2012, US \$ per gallon)	\$ 7.42	\$ 8.21	\$ 8.82	\$ 4.99	\$ 7.57	\$ 3.67

² Source: <https://www.destatis.de/EN/FactsFigures/CountriesRegions/InternationalStatistics/Country/Country.html>

³ U.S. Bureau of Labor Statistics (2013). Historical unemployment rates. <http://www.bls.gov/cps/cpsaat01.pdf>

Overview of Country-Specific Business Costs

Energy-Related Costs⁴:

	<u>Germany</u>	<u>UK</u>	<u>Netherlands</u>	<u>Canada</u>	<u>Japan</u>	<u>USA</u>
Tax rate per liter of diesel fuel (US \$)	0.6021	0.8073	0.4671	0.0323 (fed only)	0.3160	0.0594 (fed only)
Heavy fuel oil for industry (\$/per tonne) ⁵	\$ 781.81	\$ 876.12 ⁶	\$ 760.84	\$ 848.70	\$ 1,057.05	\$ 730.10
Automotive diesel oil (\$/per gal)	\$ 6.25	\$ 7.08	\$ 5.98	\$ 4.35	\$ 5.03	\$ 3.97
Steam coal for industry (\$/per tonne)	-	\$ 144.27	-	-	\$ 153.61	\$ 68.71
Natural gas for industry (\$/per MWh GCV) ⁷	\$ 54.37	\$ 35.51	\$ 38.53	\$ 15.41	-	\$ 16.96
Electricity for industry (MWh)	\$ 157.23	\$ 127.39	\$ 120.56	-	\$ 179.03	\$ 69.57

Labor Costs:

	<u>Germany</u>	<u>UK</u>	<u>Netherlands</u>	<u>Canada</u>	<u>Japan</u>	<u>USA</u>
Hourly compensation costs in mfg. (\$/2011) ⁸	\$ 47.38	\$ 30.77	\$ 42.26	\$ 36.56	\$ 35.71	\$ 35.53
Social Insurance ⁹	\$ 10.24	\$ 4.73	\$ 8.97	\$ 7.49	\$ 6.46	\$ 8.65
Directly-paid benefits ¹⁰	\$ 9.44	\$ 4.05	\$ 9.01	\$ 3.59	\$ 9.02	\$ 3.17
Pay for time worked	\$ 27.70	\$ 21.98	\$ 24.49	\$ 25.48	\$ 20.23	\$ 23.70
Avg. Labor Cost per employee ¹¹	\$ 100,422	\$ 77,993	\$ 88,602	\$ 87,228	\$ 117,155	\$ 95,798
Effective Employer Social Security Tax Rate on \$300,000 of Gross Income ¹²	4.9%	13.3%	3.9%	1.2%	6.8%	3.7%

⁴ Source: International Energy Agency <http://www.iea.org/publications/freepublications/publication/kwes.pdf> (prices are for Q1 2012 for oil products)

⁵ Low sulphur fuel oil for Canada and USA

⁶ Source: UK Department of Energy & Climate Change (March 2013), *Quarterly Energy Prices*. Price is the 2012 Q4 average price for all consumers of heavy fuel oil in the manufacturing industry.

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/171915/qep_mar_2013.pdf, p.32.

⁷ GCV = Gross Calorific Value

⁸ U.S. Bureau of Labor Statistics (2012) <http://www.bls.gov/news.release/pdf/ichcc.pdf>

⁹ Social insurance expenditures are legally required, private, and contractual social benefit costs, and labor-related taxes (minus subsidies).

¹⁰ Directly-paid benefits are primarily pay for leave time, bonuses, and pay in kind.

¹¹ The average is for 19 different business operations, and represents 42 different job positions, including professional and management positions. KPMG, *Competitive Alternatives* (2012), p.58.

http://www.competitivealternatives.com/reports/2012_compalt_report_vol1_en.pdf

Facility Costs¹³:

	<u>Germany</u>	<u>UK</u>	<u>Netherlands</u>	<u>Canada</u>	<u>Japan</u>	<u>USA</u>
Total fees to obtain permanent electricity to new warehouse (US \$)*	\$ 19,840	\$ 39,545	\$ 15,635	\$ 65,288	0	\$ 7,880
Total cost of fees associated with obtaining permanent electricity to new warehouse (% of economy's income per capita) - Excl. VAT tax	48.3%	108.9%	33.5%	140.4%	0%	16.1%
Total cost of fees associated with obtaining construction permit to build new warehouse (% of economy's income per capita)	48.1%	62.4%	78.9%	64.1%	28.5%	14.4%

*Note: Listed fees are for a business located in the country's largest metropolitan city

Factory Lease Costs for Mfg. Company (Suburban area - \$ per sq. ft) ¹⁴	\$ 8.18	\$ 10.55	\$ 9.11	\$ 4.69	\$ 17.77	\$ 4.74
Total Property-Based Taxes, Avg. US \$ per Square Foot of Building Space ¹⁵	\$ 3.09	\$ 5.17	\$ 0.64	\$ 4.33	\$ 12.14	\$ 5.55

Logistics Costs:

	<u>Germany</u>	<u>UK</u>	<u>Netherlands</u>	<u>Canada</u>	<u>Japan</u>	<u>USA</u>
Total costs associated with exporting (\$/excl. tariffs) ¹⁶	\$ 872.00	\$ 950.00	\$ 895.00	\$1,610.00	\$ 880.00	\$1,090.00
Total Annual Transportation Cost (Air + Surface) ¹⁷	\$ 1,722.00	\$ 2,224.00	\$ 1,670.00	\$ 2,522.00	\$ 1,431.00	\$ 2,214.00

¹²KPMG's 2012 Individual Income Tax and Social Security Rate Survey

<http://www.kpmg.com/Global/en/IssuesAndInsights/ArticlesPublications/Documents/effective-employer-gross-income-usd300k.pdf>

¹³ Source: <http://www.doingbusiness.org/data/>. Results are for a business in located in the largest metropolitan city in the country.

¹⁴ Net rent only for a prime bulk industrial facility. All operating costs are additional and are borne directly by the tenant. Results for facility costs are the averages of costs for selected major metropolitan areas in the countries being analyzed. KPMG, *Competitive Alternatives* (2012) http://www.competitivealternatives.com/reports/2012_compalt_report_vol1_en.pdf

¹⁵ Results for facility costs are the averages of costs for selected major metropolitan areas in the countries being analyzed. KPMG, *Competitive Alternatives* (2012) http://www.competitivealternatives.com/reports/2012_compalt_report_vol1_en.pdf, p.59.

¹⁶ Source: <http://doingbusiness.org/data> Cost measures the fees levied on a 20-foot container in U.S. dollars. All the fees associated with completing the procedures to export or import the goods are taken into account. These include costs for documents, administrative fees for customs clearance and inspections, customs broker fees, port-related charges and inland transport costs. The cost does not include customs tariffs and duties or costs related to sea transport. Only official costs are recorded. Methodology used: <http://www.doingbusiness.org/methodology/trading-across-borders>

¹⁷ KPMG, *Competitive Alternatives* (2012) http://www.competitivealternatives.com/reports/2012_compalt_report_vol1_en.pdf Average for 12 manufacturing operations. Additional information about methodology used can be found on page 60 of *Competitive Alternatives* report.

Construction Costs¹⁸:

Avg. Cost by Building Type	<u>Germany</u>	<u>UK</u>	<u>Netherlands</u>	<u>Canada</u>	<u>Japan</u>	<u>USA</u>
Warehouse/factory units – basic (US \$ per sq. ft.)	\$ 119.58	\$ 127.13	\$ 113.66	\$ 87.11	\$ 183.57	\$ 82.14
Large warehouse distribution center (US \$ per sq. ft.)	\$ 149.28	\$ 142.88	\$ 110.12	\$ 96.75	\$ 246.99	\$ 108.88
Offices - business park (US \$ per sq. ft.)	\$ 156.35	\$ 238.30	\$ 197.71	\$ 164.47	\$ 273.83	\$ 180.04

Avg. Hourly Labor Cost by Tradesman Type (incl. overhead costs)	<u>Germany</u>	<u>UK</u>	<u>Netherlands</u>	<u>Canada</u>	<u>Japan</u>	<u>USA</u>
Group 1 Tradesman (plumber, electrician)	\$ 49	\$ 48	\$ 56	\$ 61	\$ 30	\$ 75
Group 2 Tradesman (carpenter, bricklayer)	\$ 50	\$ 48	\$ 45	\$ 56	\$ 27	\$ 65
Group 3 Tradesman (carpet layer, tiler, plasterer)	\$ 50	\$ 48	\$ 40	\$ 51	\$ 27	\$ 57
General Laborer	\$ 46	\$ 29	\$ 26	\$ 46	\$ 21	\$ 53
Site Foreman	\$ 56	\$ 74	\$ 52	\$ 76	\$ 30	\$ 77

¹⁸ Turner and Townsend, PLC "International Construction Cost Survey 2012" http://www.turnerandtowntsend.com/construction-cost-2012/TT_ICC_Report_Interactive_PDF_QV9eI.pdf Note: Data comes from survey results gathered by professionals at Turner and Townsend offices only. Construction cost data is not to be taken literally, as building costs fluctuate on a daily basis. Construction cost data is meant to show the general picture of the cost of constructing facilities in the respective countries. Data for the Netherlands is for 2010. All other country data is for 2011

Overview of Total Corporate Tax Burden¹⁹

A more detailed analysis of the applicable federal and local taxes that apply to corporations in the respective regions can be found in Appendix A. Generally speaking, the United States has the highest statutory corporate tax rate of all the countries. However, the total corporate tax burden of the countries in this analysis becomes more equitable when Value Added Taxes (VAT) and other indirect taxes are considered. The international countries also generally levy more strict environmental-related taxes on businesses than the United States.

	Germany	UK	Netherlands	Canada	Japan	United States
Statutory	15%	23% ²⁰	25% ²¹	15%	25.50%	35% ²²
Surtax	5.5% ²³	-	-	-	-	-
Province/State	12-18% ²⁴	-		10-16%	Varies ²⁵	6.9% ²⁶
Effective Tax Rate	30-33%	23%	25%	25-31% ²⁷	38% ²⁸	41.90%
Indirect tax	19% (VAT)	20% (VAT)	21% (VAT)	5% (GST) ²⁹	5% ³⁰	4.75% ³¹ (NC sales tax)

GST = Goods and services tax

¹⁹ Source: <https://www.dits.deloitte.com/DomesticRates/domesticRatesMatrix.aspx>

²⁰ The main rate of UK corporation tax reduced from 24% to 23% on 1 April 2013. The main rate does not apply to ring fence profits from oil rights and extraction. The small profits rate applied to companies with taxable profits of less than £ 300,000 per annum is 20%. Companies with taxable profits between £ 300,000 and £ 1.5 million are effectively taxed on a sliding scale at an average rate between the main rate and the small profits rate. The £ 300,000 and £ 1.5 million limits are reduced if the company has any associated companies or the accounting period is less than 12 months.

²¹ The 25% rate applies to taxable profits exceeding € 200,000. The rate is 20% on the first € 200,000 of taxable profits.

²² The federal corporate income tax applies to bands of taxable income at rates between 15% and 35%. An additional 5% tax (subject to caps) is imposed on certain bands.

²³ A solidarity surcharge of 5.5% is levied on the corporate income tax.

²⁴ The municipal trade tax typically ranges between 12% and 18%.

²⁵ Companies must pay a local inhabitants tax, which varies depending on the location and size of the firm. The inhabitants tax, charged by both prefectures and municipalities, is composed of the corporation tax levy (levied as a percentage of national corporation tax) and a per capita levy (determined based on capital and the number of employees). The local enterprise tax, another tax imposed by the prefectures, has three components: 7.2% of taxable profits, 0.48% of a “value-added” factor and 0.2% of share capital and capital surplus.

²⁶ North Carolina state corporate income tax rate. Source: <http://taxfoundation.org/state-tax-climate/north-carolina>

²⁷ The effective rate varies by jurisdiction and also depends on the nature of the income and the incentives available federally and in any particular jurisdiction. The combined general rates range from 25% to 31%.

²⁸ The effective corporate tax rate is comprised of the national corporate income tax of 25.5%, the local inhabitants tax of approximately 6.2% and the local enterprise tax of approximately 7.56%. In light of the reduction in the national standard corporation tax rate and the new surtax, the effective tax rate for corporations (inclusive of the inhabitants and local enterprise taxes) will be reduced from approximately 41% to approximately 38% for the first three years, and approximately 36% thereafter.

²⁹ The federal GST rate is 5% and the Harmonized Sales Tax (HST) rate is 13% for goods and services supplied in the provinces of New Brunswick, Newfoundland and Ontario, 12% for British Columbia and 15% for Nova Scotia.

³⁰ The consumption tax rate will increase to 8% in April 2014, and to 10% in October 2015.

³¹ <http://taxfoundation.org/state-tax-climate/north-carolina>

Regional Overview

This section identifies regions in the five targeted countries that share similar demographic and economic characteristics as southeastern North Carolina. All the international regions included in this report are competitive regional economies that market themselves on an international level. These regions are worthy of comparison to southeastern North Carolina, as NCSE crafts a marketing strategy that drives further foreign direct investment (FDI) in the region from companies based in the targeted countries.

The individual regional breakdowns include background information on the regional economy, regional transportation costs, and a regional side-by-side comparison with NCSE. The regional transportation cost data gives a general idea of the transportation costs associated with shipping goods from the international region to Wilmington, NC, for the purposes of accessing markets in the United States. Transportation costs were calculated as the diesel fuel costs of shipping a product from a main city in the international region to the nearest port, and then the freight costs of shipping the product to the Port of Wilmington. For the purposes of the freight cost calculations, the commodity is assumed to be chemicals valued at \$1 million, with insurance added³². The calculations do not take into account logistics-related labor costs, duty taxes, or other ancillary logistics costs.

³² Source for freight cost calculations: <http://worldfreightrates.com/freight>

North Carolina's Southeast

Background³³:

North Carolina's Southeast (NCSE) represents an 11-county region in southeastern North Carolina that covers approximately 7,500 square miles. The region has a unique blend of multi-modal transportation assets that include an international seaport, regional and international airports, U.S. and state highway systems, and ample rail access. These transportation assets provide businesses in the region with quick access to markets up and down the East Coast. The presence of Fort Bragg in the region has fueled population growth in recent years and driven investment in the region by defense contracting companies.

A number of Fortune 500 companies have operational assets in the region, and the region maintains a strong presence from international firms. The regional economy has traditionally been supported by the manufacturing and agri-business industries. The manufacturing industry employs over 37,000 people in the region, or 10% of the total workforce. The food processing and agri-business industry employs another 20,000 workers. Other industries in the region with significant employment include retail trade, healthcare, accommodation and food services, and logistics-related industries.

Economic Indicators	NCSE³⁴
Population (2010)	1,102,381
Regional Unemployment Rate (2012)	10.70%
Land Surface Area (sq. miles)	7,468 sq. miles
Population Density (per sq. mile)	147.61
Union Membership Rate (NC - 2012)	4.30%
Labor Force (April 2013)	505,339 ³⁵
GDP (NC - 2012)	\$ 393 billion ³⁶
Gross State Product per capita (NC – 2010)	\$ 42,884
Total Value of NC Exports (2012)	\$ 28.8 billion ³⁷
Per Capita Income (2011)	\$ 31,448
Median Household Income (2011)	\$ 38,657

³³ All information was obtained from the 2013 NCSE Regional Economic Profile and the 2012 NCSE State of the Region Report.

³⁴ Unless otherwise specified, all data comes from the 2013 NCSE Regional Economic Profile

³⁵ North Carolina Division of Employment Services (April 2013 – totals for all NCSE counties)
http://www.ncesc1.com/pmi/rates/PressReleases/County/NR_Apr2013CountyRates_M.pdf

³⁶ Triangle Business Journal (June 2013), "NC real GDP jumped by 2.7% in 2012."
<http://www.bizjournals.com/triangle/news/2013/06/06/nc-real-gdp-increased-by-27-in-2012.html> Note : Total Regional Income in 2012 of all 11 NCSE counties was \$ 39.1 billion (Source: <http://www.bea.gov/regional/>).

³⁷ U.S. Census Bureau (2012) <http://www.census.gov/foreign-trade/statistics/state/data/nc.html>

Rhineland-Palatinate, Germany

Background:

Rhineland-Palatinate is one of sixteen states in the Federal Republic of Germany. Rhineland-Palatinate is dominated by rural lands. More than 75% of the region's land is rural, and almost 84% of this land area is used for agricultural and forestry purposes³⁷. The diversified economy is comprised mainly of the production of wine, wood products, chemicals, and automobile components³⁸. The manufacturing sector employs 314,900 people and represents the main source of employment in the region³⁹. Rhineland-Palatinate is Germany's largest wine-growing region, and the world's largest producer of sparkling wine⁴⁰. Rhineland-Palatinate relies heavily on foreign trade, and the region has the highest export rate of any state in Germany⁴¹.

Industry clusters in common with NCSE: Agriculture (viticulture), forestry, manufacturing, chemicals

Major employers: BASF (chemicals), Daimler AG (auto-manufacturing), KSB (manufacturer of pumps/valves)

Regional transportation costs:

Diesel fuel cost from Mainz, Germany to Hamburg, Germany (int'l port): \$ 2,023.67⁴²

Freight cost per FCL (40 ft.) from Hamburg, Germany to Wilmington, NC: \$ 2,623.55 - \$ 2,899.71

Side-by-Side Comparison:

Economic Indicators	Rhineland-Palatinate	NCSE
Population	3.9 million (2011) ⁴³	1,102,381
Unemployment	5.70% (2010) ⁴⁴	10.70%
Land Surface Area (sq. miles)	7,663 sq. miles ⁴⁵	7,468 sq. miles
Population Density	509 persons/sq. mile	147.61/sq. mile
Unionization Rate	18% (2013 – countrywide) ⁴⁶	4.30% (NC)
Labor force	1,864,000 (2010) ⁴⁷	505,339
Gross Domestic Product (US \$)	\$ 137.3 billion (2010) ⁴⁸	\$ 393 billion (NC)
GDP per capita (US \$)	\$ 34,275 (2010) ⁴⁹	\$ 42,884 (NC)
Total Value of Exports (US \$)	\$ 51.8 billion (2010) ⁵⁰	\$ 28.8 billion (NC)
Personal Income Per Capita (US \$)	-	\$ 31,448
Median Household Income (US \$)	\$ 28,095 (2009) ⁵¹	\$ 38,657

Business Costs	Rhineland-Palatinate	NCSE
Average monthly gross wages for hourly workers (mfg. industry)	\$ 3,338.02 (2010) ⁵²	\$ 4,071.00 (2011) ⁵³
Average monthly gross wages for salaried workers (mfg. industry)	\$ 4,950.88 (2010) ⁵⁴	\$ 4,071.00 (2011) ⁵⁵
Office Rent Rate in Suburban Area (per sq. ft.)	\$ 1.38 (2010) ⁵⁶	\$ 5.00 - \$ 23.00 ⁵⁷
Minimum Wage (US \$/hour)	\$ 9.57 (2013) ⁵⁸	\$ 7.25 (2013) ⁵⁹

Business Cost Advantages for NCSE:

- 1) Lower minimum wage
- 2) Competitive wages

Notes for Rhineland-Palatinate Business Costs:

- Average monthly gross wages include unskilled, skilled, qualified, and highly-qualified workers
- Office rent rate is monthly rate for capital city of Mainz (US \$ price of \$14.21 per sq. meter divided by 10.47 feet). Rent includes electricity, water, heat, and other levies and fees (sewer/water fees). Rent excludes ancillary costs, estimated at \$2.56 per meter sq., or \$0.24 per sq. ft. (US \$ price of \$2.56 per sq. meter divided by 10.47 feet).

Notes for NCSE Business Costs:

- Average monthly wages are for all employees in the manufacturing industry. The hourly wage was multiplied by 8 hours in a work day, and then multiplied by 23 work days in a month (excl. weekends)
- Office rent rate for property in suburban area is estimate for listed commercial property in Wilmington, NC.

East Midlands, United Kingdom

Background:

The East Midlands economy is comprised of many global companies in markets that include electronics, engineering, pharmaceuticals, and food processing⁶⁰. The region has a highly-skilled workforce due to the eight leading research universities in the region⁶¹. The tourism industry is a vital component of the regional economy with close to 142 million tourists spending over £ 6 billion in 2009⁶². Manufacturing comprises a larger share of the region's economy than any other region in the United Kingdom⁶³. East Midlands exported goods worth a record high £ 13.5 billion in the twelve months ending in September 2012⁶⁴. Non-EU exports (mainly to Asian markets) accounted for 57% of these total exports⁶⁵.

Industry clusters in common with NCSE: Manufacturing, aerospace, food processing

Major employers: Rolls Royce, Siemens (energy), Toyota Motor, Mercedes-Benz, Caterpillar, Office Depot, Next (fashion retail), AstraZeneca, 3M Healthcare

Regional transportation costs:

Diesel fuel cost from Leicester, UK to Immingham, UK (int'l port): \$ 644.16⁶⁶

Freight cost per FCL (40 ft.) from Immingham, UK to Wilmington, NC: \$ 2,629.57 - \$ 2,906.36

Side- by-side comparison:

Economic Indicators	East Midlands	NCSE⁶⁷
Population	4.5 million (2011) ⁶⁸	1,102,381
Unemployment	7.7% (2010) ⁶⁹	10.70%
Land surface area (sq. miles)	6,033 sq. miles ⁷⁰	7,468 sq. miles
Population Density (sq. m.)	746 persons/sq. mile	147.61/sq. mile
Trade Union Membership	13.7% (private sector only, 2012) ⁷¹	4.30% (NC)
Employed Persons	2.1 million (Feb-Apr 2013) ⁷²	505,339
GDP (US \$)	\$ 132.7 billion (2010) ⁷³	\$ 393 billion (NC)
GDP per capita (US \$)	\$ 29,731 (2010) ⁷⁴	\$ 42,884 (NC)
Value of Export of Goods (US \$)	\$ 20.7 billion (2012) ⁷⁵	\$ 28.8 billion (NC)
Personal Income Per Capita (US \$)	-	\$ 31,448
Gross Disposable Household Income (US \$)	\$ 21,636 (2011) ⁷⁶	\$ 38,657 ⁷⁷

Business Costs	East Midlands	NCSE
Avg. gross hourly pay (all industries)	\$ 19.76 (2012) ⁷⁸	\$ 22.32 (2011) ⁷⁹
Avg. gross hourly pay (mfg. only)	\$ 20.85 (2012) ⁸⁰	\$ 22.13 (2011) ⁸¹
Avg. Industrial/warehouse unit rental values (10,470-31,410 sq. ft.) ⁸²	\$ 6.39 (2011) ⁸³	\$ 2.50 - \$ 11.00 (2013) ⁸⁴
Industrial land price (cleared industrial development site, per acre)	\$ 240,631.58 (2011) ⁸⁵	\$ 10,000 - \$ 50,000 (2013)
Minimum wage (US \$/hour)	\$ 9.38 (2013) ⁸⁶	\$ 7.25 (2013) ⁸⁷

Business Cost Advantages for NCSE:

- 1) Lower minimum wage
- 2) Lower industrial land prices (cleared, developed site)

Notes for East Midlands Business Costs:

- Avg. industrial/warehouse unit rental value is for the City of Leicester. US \$ amount of \$66.87 divided by 10.47 feet. Methodology: steel framed on concrete base, concrete block or brickwork to 2m with metal PVC covered cladding above. Eaves height up to 7.6m with lined roof 10-15% office content. Detached on own site with private parking and loading facilities.
- Avg. industrial land price is for land in the City of Leicester. US \$ price of \$594,360 per hectare divided by 2.47 acres. Methodology: the land is assumed to be in a typical location for the area having planning permission, services to the edge of the site and be ripe for development. In addition, the values provided assume that the development will be restricted to either industrial or warehouse use.

Notes for NCSE Business Costs:

- Hourly wage data is the daily average wage for all industries (and mfg. only) divided by 8 hours in the work day.
- Industrial land price is representative of the average range of fully serviced industrial land in rural and suburban area locations in the region.
- Average industrial/warehouse unit rental rate is the estimate for industrial property in Wilmington, NC

Limburg, Netherlands

Background:

Limburg is located in the heart of Western Europe, which affords the region quick access to major international markets. Limburg is located at the epicenter of the “Blue Banana,” a crescent shaped region in Western Europe where 75% of all economic activity within the European Union takes place⁸⁸. Limburg’s location has made them a world-renowned region for logistics, which is evident by the large presence of international third-party logistics (3PL) companies in the region. Other key industries include chemicals, agri-food, biomaterials, life sciences, and solar energy⁸⁹. Over 500 foreign companies have operational assets in Limburg⁹⁰.

Industry clusters in common with NCSE: Transportation and warehousing (logistics), agri-business, chemicals

Major employers: UPS, DHL, ExxonMobil, Mitsubishi Motors, H&M (fashion retail), GE Security, Abbott Laboratories (biotechnology)

Regional transportation costs:

Diesel fuel cost from Venlo, NL to Amsterdam, NL (int’l port): \$ 681.83⁹¹

Freight cost per FCL (40 ft.) from Amsterdam, NL to Wilmington, NC: \$ 2,645.61 - \$ 2,924.10

Side-by-side comparison:

Economic Indicators	Limburg	NCSE⁹²
Population	1,114,000 (2012) ⁹³	1,102,381
Unemployment Rate	6.9% (March 2012) ⁹⁴	10.70%
Land surface area (sq. miles)	831 sq. miles ⁹⁵	7,468 sq. miles
Population Density	1341/sq. mile	147.61/sq. mile
Unionization Rate	20% (countrywide – 2013) ⁹⁶	4.30% (NC)
Labor force	506,000 (2011) ⁹⁷	505,339
GDP (US \$)	\$ 44.6 billion (2010) ⁹⁸	\$ 393 billion (NC)
GDP per capita (US \$)	\$ 40,321 (2010) ⁹⁹	\$ 42,884 (NC)
Total Value of Exports (US \$)	N/A	\$ 28.8 billion (NC)
Personal Income Per Capita (US \$)	-	\$ 31,448
Avg. Spendable Household Income (US \$)	\$ 41,215 (2009) ¹⁰⁰	\$ 38,657 ¹⁰¹

Business Cost	Limburg	NCSE
Avg. cost of land in industrial parks (per sq. ft.)	\$ 18.28 (2010) ¹⁰²	\$ 1.15 (2013)
Avg. cost of office space rent (per sq. ft.)	\$ 15.84 (2011) ¹⁰³	\$ 5.00 - \$ 23.00 ¹⁰⁴
Avg. cost of rent in industrial business park (per sq. ft.)	\$ 5.97 (2011) ¹⁰⁵	\$ 2.50 - \$ 3.95 ¹⁰⁶
Minimum Wage (US \$/hour)	\$ 10.72 (2012) ¹⁰⁷	\$ 7.25 (2013) ¹⁰⁸

Business Cost Advantages for NCSE:

- 1) Lower minimum wage
- 2) Lower land prices
- 3) Lower office and industrial business park rent

Notes for Limburg Business Costs:

- Avg. cost of land in industrial parks is the avg. maximum price for an industrial park in the capital city of Venlo. US \$ price of \$191.40 per sq. meter divided by 10.47 feet
- Avg. cost of office space rent is the avg. maximum price for office space in the capital city of Venlo. US \$ price of \$165.88 per sq. meter divided by 10.47 feet
- Avg. cost of rent in industrial business park is the avg. maximum price for rent in Trade Port West business park in capital city of Venlo. US \$ price of \$62.52 per sq. meter divided by 10.47 feet

Notes for NCSE Business Costs:

- Average office rent is the estimate for commercial property in Wilmington, NC
- Average price of land is the price per acre of \$ 50,000 divided by 43,560 sq. feet.

Manitoba, Canada

Background:

Manitoba is a large Canadian province with a landscape that is dominated by freshwater lakes. This natural asset has made Manitoba a leader in the production of hydroelectricity. Manitoba produces a surplus of hydroelectricity, allowing the province to export almost 50% of the electricity it generates¹⁰⁹. Manitoba's abundant supply of hydroelectricity has led to the province having some of the cheapest electricity rates in all of North America¹¹⁰.

Manitoba's diversified economy has a strong manufacturing and agricultural presence. Manitoba has a growing aerospace industry that employed approximately 5,300 people in 2011, and had industry revenues exceeding \$1.6 billion¹¹¹. The manufacturing sector in Manitoba is primarily the value-added food processing industry, which accounts for 25% of total manufacturing shipments in the province¹¹².

Industry clusters in common with NCSE: Agri-business food processing, manufacturing, aerospace, biotechnology

Major employers: StandardAero, Magellan Aerospace Ltd, Boeing Canada Operations Ltd, Manitoba Hydro (energy), Richardson International (agribusiness)

Regional transportation costs: Diesel fuel cost from Winnipeg, Canada to Wilmington, NC: \$ 7,874.96¹¹³

Side-by-Side Comparison:

Economic Indicators	Manitoba	NCSE
Population	1,274,000 (2013) ¹¹⁴	1,102,381
Unemployment Rate	5.40% (2011) ¹¹⁵	10.70%
Land Surface Area (sq. miles)	211,721 sq. miles ¹¹⁶	7,468 sq. miles
Population Density	6 persons/sq. mile	147.61/sq. mile
Unionization Rate (all industries)	38% (2010) ¹¹⁷	4.30% (NC)
Employed persons	625,000 (2011) ¹¹⁸	505,339
Gross Domestic Product (US \$)	\$ 41.7 billion (2011) ¹¹⁹	\$ 393 billion (NC)
Real GDP per capita (US \$)	\$ 33,755 (2011 market prices) ¹²⁰	\$ 42,884 (NC)
Total Value of Exports (US \$)	\$ 11.2 billion (2011) ¹²¹	\$ 28.8 billion (NC)
Personal Income Per Capita (US \$)	\$ 33,903 (2011) ¹²²	\$ 31,448
Median Household Income (US \$)	-	\$ 38,657

Business Costs	Manitoba	NCSE
Industrial Space Lease Rate (per sq. ft.)	\$ 15.31 (2012) ¹²³	\$ 2.50 - \$ 3.95 ¹²⁴
Monthly Charge for Natural Gas (Small General Service)	\$ 14.00 (2013) ¹²⁵	\$ 22.00 (2013) ¹²⁶
Monthly Charge for Natural Gas (Large General Service)	\$ 77.00 (2013) ¹²⁷	\$ 350.00 (2013) ¹²⁸
Industrial Electricity Rate (per kWh)	\$ 0.035 (2011) ¹²⁹	\$ 0.064 (2013) ¹³⁰
Average Hourly Wages (all industries)	\$ 20.25 (2011) ¹³¹	\$ 22.32 (2011) ¹³²
Price of land in industrial parks (US \$/acre)	\$ 5,500 - \$ 150,000 (2013) ¹³³	\$ 5,000 - \$ 50,000 (2013)
Minimum Wage (US \$/hour)	\$ 10.25 (2011) ¹³⁴	\$ 7.25 (2013) ¹³⁵

Business Cost Advantages for NCSE:

- 1) Lower minimum wage
- 2) Competitive hourly wages
- 3) Competitive land prices

Notes for Manitoba Business Costs:

- Industrial Space Lease Rate is for property in the capital city of Winnipeg
- Office Space Lease Rate is for Class A property in downtown Winnipeg
- Natural gas rates are for customers who use less than 680,000 cubic meters of natural gas annually. Rates are as of May 1, 2013
- Industrial electricity rate is for industry in capital city of Winnipeg. (Power: 50,000 kW; Voltage: 120kv; Consumption: 30,600,000 kWh; Load Factor: 85%)
- Price of land in industrial parks is listed sales price for industrial park property across several cities in Manitoba. Range includes undeveloped to fully developed land.

Notes for NCSE Business Costs:

- Natural gas rates are as of May 1, 2013
- Industrial electricity rate is for energy charge in excess of 90,000 kWh (Schedule I Industrial Service). The first 3,000 kWh per month is charged at a rate of \$0.1128 per kWh. The next 87,000 kWh per month is charged at a rate of \$0.6654 per kWh. Basic facilities charge per month is \$20.73 (Schedule I Industrial Service)
- Price of land in industrial parks is representative of the average range of industrial land prices of rural and suburban area locations in the region.

Hokkaido, Japan

Background:

Hokkaido is one of the leading Japanese prefectures for dairy farming, crop production, and commercial fishing¹³⁶. In 2010, Hokkaido's agricultural output was \$ 9.9 billion, or 12% of the national agricultural output¹³⁷. Hokkaido's seafood rich coastlines produced 1.4 tons of caught seafood in 2010, leading the country in this category¹³⁸.

In recent years, Hokkaido has been successful in growing manufacturing, biotechnology, and information systems clusters in the region¹³⁹. Hokkaido's cold climate and technology-focused universities have been used as an advantage to recruit data centers to the region¹⁴⁰. Cooling costs account for almost 40% of the power consumption of most data centers, and the innovative cooling technologies available in Hokkaido offer a significant cost advantage to IT companies¹⁴¹.

The Japanese earthquake of 2011 had a significant impact on the utilities infrastructure of Hokkaido. The suspension of nuclear plants in the region caused the Hokkaido Electric Power Co. to request a 13.46% increase in the industrial electricity rate in April 2013¹⁴².

Industry clusters in common with NCSE: Agriculture, manufacturing, biotechnology

Major employers: Toyota Motor, IBM, Microsoft Corp., Accenture (tech business consulting), Amazon, Nihon Medi-Physics Co., Ltd (biotechnology)

Regional transportation costs:

Freight cost per FCL (40 ft.) from Tomakomai, JPN (int'l port) to Wilmington, NC: \$ 3,694.45 - \$ 4,083.34

Side-by-side comparison:

Economic Indicators	Hokkaido	NCSE
Population	5.4 million (2011) ¹⁴³	1,102,381
Unemployment	5.5% (2009) ¹⁴⁴	10.70%
Land area (sq. miles)	32,221 sq. miles ¹⁴⁵	7,468 sq. miles
Population density	168/sq. miles	147.61/sq. miles
Unionization Rate	18% (2012 – countrywide) ¹⁴⁶	4.30% (NC)
Labor Force (2010)	2.7 million ¹⁴⁷	505,339
Gross Domestic Product	\$ 182.4 billion (2010) ¹⁴⁸	\$ 393 billion (NC)
GDP per capita (US \$)	\$ 33,134 (2010) ¹⁴⁹	\$ 42,884 (NC)
Total Value of Exports (US \$)	\$ 3.8 million (2012) ¹⁵⁰	\$ 28.8 billion (NC)
Personal income per capita (US \$)	\$ 24,162 (2010) ¹⁵¹	\$ 31,448
Median Household Income	-	\$ 38,657

Business Costs	Hokkaido	NCSE
Average Price of Land (industrial site, per sq. ft.)	\$ 11.35 (2010) ¹⁵²	\$1.15(2013)
Average Price of Land (Commercial site, per sq. ft.)	\$ 59.76 (2010) ¹⁵³	\$10.33 (2013) ¹⁵⁴
Average Office Rent (US \$/sq. ft)	\$2.28 (June 2008) ¹⁵⁵	\$ 5.00 - \$ 23.00 (2013) ¹⁵⁶
Average Monthly Cash Earnings (all industries)	\$ 2,966.89 (2011) ¹⁵⁷	\$ 4,107.09 (2011) ¹⁵⁸
Average Monthly Cash Earnings (mfg. only)	\$ 2,710.75 (2011) ¹⁵⁹	\$ 4,071.00 (2011) ¹⁶⁰
Industrial electricity rate (per kWh)	\$ 0.12 (2012) ¹⁶¹	\$ 0.064 (2013) ¹⁶²
Minimum Wage (US \$/hour)	\$ 6.98 (2011) ¹⁶³	\$ 7.25 (2013) ¹⁶⁴

Business Cost Advantages for NCSE:

- 1) Lower land prices
- 2) Lower industrial electricity rate

Notes for Hokkaido Business Costs:

- Avg. price of industrial land US \$ price of \$188.80 per sq. meter divided by 10.47 feet
- Avg. price of commercial land US \$ price of \$625.68 per sq. meter divided by 10.47 feet
- Office rent price is for property in the capital city of Sapporo. US \$ price of \$81.08 per tsubo divided by 35.58 feet
- Industrial electricity rate is for general cost of business use. Basic charge for 1kW is \$17.67

Notes for NCSE Business Costs:

- Earnings data is the average monthly wage for all industries (and mfg. only). The hourly wage was multiplied by 8 hours in a work day, and then multiplied by 23 work days in a month (excl. weekends).
- Industrial electricity rate is for energy charge in excess of 90,000 kWh (Schedule I Industrial Service). The first 3,000 kWh per month is charged at a rate of \$0.1128 per kWh. The next 87,000 kWh per month is charged at a rate of \$0.6654 per kWh. Basic facilities charge per month is \$20.73 (Schedule I Industrial Service)
- Average office rent is the estimate for commercial property in Wilmington, NC
- Average price of land is the price per acre of \$ 50,000 divided by 43,560 sq. feet.

Salaries and Wages by Region and Occupation (Weekly)

	NCSE ³⁸ (2012)	Manitoba ³⁹ (Mar 2013)	East Midlands ⁴⁰ (2012)	Limburg ⁴¹ (2010)	Hokkaido ⁴² (2011)	Rhineland-Palatinate ⁴³ (2006)
Agriculture, Forestry, Fishing & Hunting	\$ 477.74	N/A	\$ 606.28	\$ 891.92 ⁴⁴	N/A	N/A
Manufacturing	\$ 868.16	\$ 922.19	\$ 823.37	\$ 1031.52	\$ 908.24	\$ 1248.20 ⁴⁵
Utilities/Energy	\$ 1576.91	-	\$ 870.61 ⁴⁶	\$ 1170.01 ⁴⁷	\$ 1319.63 ⁴⁸	\$ 1008.22 ⁴⁹
Construction	\$ 713.37	\$ 919.40	\$ 852.28	\$ 1087.66	\$ 908.24	N/A
Wholesale & Retail Trade	\$ 675.99	\$ 641.41 ⁵⁰	\$ 557.11 ⁵¹	\$ 887.59	\$ 474.87	\$ 979.84 ⁵²
Transportation & Warehousing	\$ 786.35	\$ 952.06	\$ 732.63	\$ 970.27	\$ 595.82 ⁵³	\$ 681.34 ⁵⁴
Information	\$ 841.25	\$ 989.51 ⁵⁵	\$ 901.45 ⁵⁶	\$ 1273.45 ⁵⁷	\$ 982.21 ⁵⁸	N/A
Chemicals	\$ 1200.00 ⁵⁹	N/A	N/A	N/A	N/A	\$ 991.03 ⁶⁰

³⁸ Unless otherwise specified, data is from Q3 2012 from the NCSE 2013 Regional Economic Profile

³⁹ Average weekly earnings from March 2013. Source: <http://www.statcan.gc.ca/tables-tableaux/sum-som/l01/cst01/labor93h-eng.htm>

⁴⁰ Average gross weekly earnings from 2012. Source: <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcn%3A77-280149>

⁴¹ Hourly wages for 2010. Note: Data is countrywide. Regional data unavailable

<http://statline.cbs.nl/StatWeb/publication/?DM=SLLEN&PA=81433ENG&D1=2&D2=0&D3=0&D4=a&D5=a&D6=l&LA=EN&VW=T>

⁴² All data was obtained from the Ministry of Health, Labour and Welfare's Monthly Labor Survey (2011). Data is from the average monthly cash earnings for establishments with 30 employees or more. Monthly figures were divided by 4.25 weeks in a month to obtain weekly average wage. Source: <http://www.mhlw.go.jp/english/database/db-yl/2011/03.html>

⁴³ Unless otherwise noted, all data comes from the 2006 nationwide Structure of Earnings Survey. More recent data is unavailable, but the 2006 data provides a good pre-recessionary picture. Given the rate of inflation, it can be assumed that wages have not decreased since 2006. Source:

<https://www.destatis.de/DE/Publikationen/Thematisch/VerdiensteArbeitskosten/VerdiensteBerufe/VerdienstenachBerufe.html>

⁴⁴ Average of "Agriculture and Industry" and "Agriculture, Forestry, and Fishing"

⁴⁵ Data is from Jan 2011. Data is the sum of "Average monthly gross wages for hourly workers" and "Average monthly gross wages for salaried workers." Data was divided by 4.25 weeks in a month to determine weekly wage totals. Source:

<https://www.destatis.de/DE/Publikationen/Thematisch/VerdiensteArbeitskosten/VerdiensteBerufe/VerdienstenachBerufe.html> (p.7).

⁴⁶ Labeled as "Electricity, Gas, Steam and Air Conditioning Supply"

⁴⁷ Average of "Industry and Energy," "Industry (no construction), energy," and "Electricity and gas supply"

⁴⁸ Labeled as "Electricity, gas, heat supply and water"

⁴⁹ Average of "Electricians, fitters," "Electrical Equipment Farm," "Electrical equipment, parts fitters," "Electrical Engineers," and "Engineers of the electrical compartment"

⁵⁰ Labeled as "Trade"

⁵¹ Labeled as "Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles"

⁵² Labeled as "Wholesale Retail Traders, Buyers"

⁵³ Labeled as "Transport and Postal Activities"

⁵⁴ Average of "Storekeeper, warehouseman," and "Storage, transport workers"

⁵⁵ Labeled as "Information and Cultural Activities"

⁵⁶ Labeled as "Information and Communication"

⁵⁷ Labeled as "Information and Communication"

⁵⁸ Labeled as "Information and Communication"

⁵⁹ Source: 2012 NCSE State of the Region

⁶⁰ Labeled as "Chemical workers"

Site Selection Factors Influencing Business Location Decisions

The factors that are taken into consideration by corporations during the site selection process are diverse, and include both business cost and non-business cost considerations. According to Area Magazine’s 2011 Annual Corporate Survey of business executives, approximately half of the factors that 80% of respondents cited as being “important” or “very important” in the site selection process were cost-specific factors, and the remainder were factors that were not strictly based on business costs¹⁶⁵.

Based on the results of the international regional business cost analysis, NCSE has the edge in a number of business cost and non-business cost site selection factors over similar regions in the targeted countries of this analysis.

Site Selection Factors (Blue = Business Cost Factor) (Orange = Non-Business Cost Factor)	% of Respondents Citing as “Important” or “Very Important”
Highway accessibility	93.8%
Labor costs	88.4%
Availability of skilled labor	88.4%
Corporate tax rate	86.0%
Occupancy or construction costs	85.9%
State and local incentives	85.9%
Energy availability and costs	84.8%
Tax exemptions	83.6%
Proximity to major markets	83.0%
Low union profile	81.0%
Inbound/outbound shipping costs	79.2%
Right-to-work state	77.5%
Availability of advanced ICT services	76.6%
Environmental regulations	76.4%
Available buildings	76.3%
Available land	73.9%
Expedited or “fast-track” permitting	72.4%
Availability of long-term financing	70.0%
Proximity to suppliers	67.8%

Source: KPMG, *Competitive Alternatives (2012)*, p.66

Business Cost Advantages/Disadvantages Summary

The results of the international regional business cost analysis show that NCSE is cost competitive with similar regions located in the targeted countries. In general, NCSE offers lower energy costs and cheaper land than comparable regions overseas.

Energy Costs:

NCSE Advantage: Fuel costs (incl. taxes) are overwhelmingly cheaper in the United States than in the five targeted countries. Natural gas and industrial electricity rates by North Carolina service providers are also competitive with competitor countries.

NCSE Advantage: The 2011 earthquake in Japan had a crippling effect on the utilities infrastructure of the country. The earthquake damaged a number of high-production nuclear power plants in the

country, which in turn caused regional electrical utilities providers to request from the Japanese government increases in electrical rates for residential and industrial consumers¹⁶⁶.

NCSE Disadvantage: Manitoba, Canada's expertise in the field of hydroelectricity production allows them to offer electrical rates for industrial clients that are among the cheapest in the Western Hemisphere¹⁶⁷.

Labor Costs:

NCSE Advantage: At the country-level, the United States offers hourly wages in manufacturing that are competitive with the targeted countries¹⁶⁸. The average hourly wage for the manufacturing industry in NCSE is even lower than the U.S. average, further representing a business cost advantage for the region¹⁶⁹.

NCSE Advantage: In a regional comparison of average weekly salaries across eight different industries, NCSE was the cost leader in three industries (Agriculture, Construction, Information) and competitive in all others.

NCSE Disadvantage: The success of the East Midlands in recruiting manufacturing companies is due in part to attractively low labor costs. The average hourly earnings for employees in the manufacturing industry (and across all other industries) are lower in East Midlands than NCSE.

Real Estate Costs:

NCSE Advantage: The price of industrial land and office rent rates are generally cheaper in NCSE than in similar international regions in this analysis. NCSE has the luxury of having abundant flat land and low population density over the generally more densely populated countries in this analysis.

NCSE Disadvantage: The vast land surface area and low population density in Manitoba results in cheap industrial land in the province's numerous industrial parks. Industrial parks in the province advertise fully serviced lots that are as low as \$21,000 per acre¹⁷⁰.

Non-Business Cost Advantages

In addition to the regional business costs outlined in this report, NCSE has a number of other non-business cost advantages that are consistent with the assets that international companies often associate with the United States.

Market Access – The access to highways I-95, I-74, and I-40 in the region gives companies easy access to major markets in the United States.

Highly Skilled Workforce – The network of regional universities and community colleges in the region help to promote a highly skilled workforce through industry-specific job skills training services.

Logistics Assets – The multi-modal transportation assets in the region include; an international seaport, regional and international airports, U.S. and state highway systems, and ample rail access.

Low Union Profile – North Carolina's low labor union profile is a major advantage to recruiting international companies to the state.

Conclusion

In KPMG's *2012 Competitive Alternatives* analysis of international business costs, the United States does not show an overwhelming business cost advantage over other industrialized countries. In fact, the United States routinely is ranked in the middle of the pack in cross-industry comparisons of business location costs, behind the likes of Germany, the Netherlands, Canada, and the United Kingdom¹⁷¹. Japan is the only country of note that the United States outperforms on a consistent basis in the KPMG analyses¹⁷². Despite the appearance of high business costs, the United States remains the world's largest economy and an attractive home for Fortune 500 companies. This is due in part to a number of non-business cost advantages that include; highway accessibility, proximity to major markets, energy availability, highly skilled labor, political stability, and a host of others.

While at the country-level the United States may not fare well in an international business cost comparison, the results of this report show that North Carolina's Southeast possesses business cost advantages over similarly situated regions in the targeted countries. This fact, coupled with other non-business cost advantages, makes NCSE well positioned to successfully market the region to a global audience.

Appendix A: Regional Tax Summaries of International Regions

CANADA CORPORATE TAX SUMMARY:

The net federal corporate income tax rate in Canada is 15%. Individual provinces or territories in Canada also apply their own corporate income tax. There is both a lower rate (reserved for small businesses) and a higher rate (all other income) that applies to corporations at the provincial level. The higher rates range from 10% - 16% depending on the province.¹⁷³ Canada also has a goods and services tax (GST) at the federal level that applies to almost all goods and services originating in Canada. Some provinces have a separate provincial sales tax (PST), while others have a harmonized sales tax (HST) that combines the federal and provincial rates across multiple regions.¹⁷⁴

Corporate Taxes for a Prospective Business in Manitoba:

Federal Corporate Income Tax Rate ¹⁷⁵	15%
Manitoba Corporate Income Tax Rate ¹⁷⁶	12%
Federal GST Rate ¹⁷⁷	5%
Manitoba PST Rate ¹⁷⁸	8%
Total Combined	40%

Note: Manitoba PST does not apply to gasoline or diesel fuel

ADDITIONAL TAXES:

-Manitoba Fuel Taxes:¹⁷⁹

Product Description	Tax Rate Per Litre (CAD)
Clear- Diesel and Gasoline	14.0¢
Railway Diesel	6.3¢
Propane and Butane	3.0¢
Marked Gasoline	3.0¢
Commercial Heating Fuel	1.9¢
Bunker Fuel and Crude Oil	1.7¢
Aviation Fuel	3.2¢
Aviation Fuel- Commercial Cargo Flights	1.5¢

Note: Federal Tax on Diesel Gasoline: 4 cents per litre¹⁸⁰

-Property Taxes:¹⁸¹

-The province of Manitoba has a Land Transfer Tax that is applied on a sliding scale at the following rates:

Value of Property	Rate
On the first \$30,000	0%
On the next \$60,000 (i.e. \$30,001 to \$90,000)	0.5%
On the next \$60,000 (i.e. \$90,001 to \$150,000)	1.0%
On the next \$50,000 (i.e. \$150,001 to \$200,000)	1.5%
On amounts in excess of \$200,000	2.0%

Source: <http://www.gov.mb.ca/finance/landtransfertax.html>

-In 2012, Winnipeg had a general municipal property tax rate of 1.5295% (15.295 Mills). There is an additional Business Tax rate of 5.9% that applies to corporations.

-Health and Post-Secondary Education Tax:¹⁸²

-Corporations that have a total yearly payroll of \$1.25 million or less are exempt from this tax. Corporations that exceed yearly payrolls of \$1.25 million are taxed at the following rates:

Total Yearly Payroll	Tax Rate
Between \$1.25 Million and \$2.5 Million	4.3% on the amount in excess of \$1.25 Million (notch provision)
Over \$2.5 Million	2.15% of the total payroll (The \$1.25 Million is not a deduction)

-Emissions Tax on Coal:¹⁸³

-This is a tax on all purchases of coal that exceed one tonne of coal in Manitoba in any calendar year.

Bituminous coal	\$22.57 per tonne
Sub-bituminous coal	\$17.37 per tonne
Lignite	\$14.27 per tonne
Anthracite and any other grade of coal	\$23.97 per tonne

GERMANY CORPORATE INCOME TAX SUMMARY:

The total corporate income tax burden in Germany is composed of three primary tax levies: 1) federal corporate income tax rate (plus solidarity surcharge), 2) municipal level trade tax, and 3) national value-added tax (VAT). The federal corporate income tax rate is 15%. The solitary surcharge is a fixed rate of 5.5% that applies to the assessed amount of corporate income tax. The trade tax is levied by municipalities, and consists of a flat universal rate of 3.5% that is then added to a multiplier determined by individual municipalities.¹⁸⁴ For Mainz, the capital city of Rhineland – Palatinate, the local trade tax is 3.5% + 440%.¹⁸⁵ The national VAT tax is 19% and applies to the exchange of all goods and services in Germany.

Rhineland – Palatinate Corporate Income and VAT Tax

Combined Corporate Tax and Solidarity Surcharge ¹⁸⁶	15.8%
Effective Municipal Trade Tax Rate (City of Mainz) ¹⁸⁷	14%
Value-Added Tax (VAT) ¹⁸⁸	19%
Total Combined	48.8%

-Real Property Tax:

-Real property is subject to taxation at both the federal and municipal levels. A 0.35% property tax rate is levied at the federal level and this rate is combined with a municipal multiplier, which is collectively applied to the total assessed value of the property. Municipal multipliers for industrial property typically range from 150% - 600%.¹⁸⁹

-Real Estate Transfer Tax:

-3.5% tax that is applied to the transfer of all real estate.¹⁹⁰

JAPAN CORPORATE INCOME TAX SUMMARY:

Japan's total corporate income tax burden is significant when compared to other industrialized countries. The statutory national corporate income tax rate is 25.5%. There is also an inhabitants tax levied at both the prefectural and municipal levels. Additionally, corporations are also subjected to an enterprise tax and a special local corporate tax.¹⁹¹ In light of the Japanese earthquake of 2012, the country implemented a temporary corporate income tax known as the "Corporation Surtax," which will fund post-earthquake reconstruction efforts. The Corporation Surtax rate is 10% and will expire on or before April 1, 2014.¹⁹²

-Inhabitant's Tax:

-The tax is computed as a percentage of the corporation tax before tax credits. Each prefecture can implement an inhabitants tax that falls within the following ranges.

	Standard Rate	Maximum Rate
Prefecture	5.0%	6.0%
Municipal	12.3%	14.7%

Source: <http://www.wipfli.com/resources/images/13752.pdf>

-Consumption Tax: ¹⁹³

-National tax that is levied on all goods and services in Japan. The Japanese Consumption Tax is 5% (4% national rate + 1% regional levy).

Additionally, each local government also can levy an “equalization per capita tax” on corporations within their jurisdiction.¹⁹⁴ The per capita levy ranges between 70,000 yen to 3,800,000 yen, depending on the corporation’s size.¹⁹⁵

-Enterprise Tax:

-Corporations that have capital assets or investments in excess of 100 million yen are taxed on a pro forma basis, with income, added value, and capital comprising the taxable base. The enterprise tax has three primary components: 1) 7.2% of taxable profits, 2) 0.48% of a “value-added” factor, and 3) 0.2% of share capital and capital surplus. Prefectures may increase the rates to 120% of the standard rates listed below.¹⁹⁶

Standard Enterprise tax rate

Income Levy	Up to 4 million yen per year	1.5%
	Over 4 million yen and up to 8 million yen per year	2.2%
	Over 8 million yen per year	2.9%
	Added Value Levy	0.48%
	Capital Levy	0.2%

-Anti-Global Warming Tax:

-In an effort to combat global warming, the Japanese government agreed to increase the existing tax on petroleum and coal products, with the increases to be staggered out across four years.¹⁹⁷

Effective Date	Crude and oil products (per kiloleter)	LPG/LNG (per metric tonnes)	Coal (per metric tonnes)
Pre-2012 rate	2,040 yen	1,080 yen	700 yen
Oct 1, 2012	2,290 yen	1,340 yen	920 yen
Apr 1, 2014	2,540 yen	1,600 yen	1,140 yen
Apr 1, 2016	2,800 yen	1,860 yen	1,370 yen

Source: <https://eng.rim-intelligence.co.jp/news/select/article/82094>

-Property Taxes:

-Real Property Acquisition Tax:¹⁹⁸ This is a tax levied on the acquisition of land or buildings. The standard real property acquisition tax rate for land is 4%.

-Fixed Asset Tax:¹⁹⁹ This tax is levied on buildings, land, and other depreciable assets used for business purposes. Municipalities determine the annual rate, which falls between 1.4% and 2.1%.

-Registration and License Tax:²⁰⁰ This is a one-time tax associated with the registration of real property with the Legal Affairs Bureau. The tax rate is 2% of the building value + 1.5% of land value.

NETHERLANDS CORPORATE INCOME TAX SUMMARY:

The Netherlands has a competitive corporate tax climate. The national statutory corporate income tax rate is 25% on income greater than 200,000 Euros.²⁰¹ The Netherlands has a VAT tax rate of 21%.²⁰²

-Environmental Taxes:²⁰³

-Tax on the extraction of groundwater: 0.1883 EUR per cubic meter

-Tax on the production or warehouse keeping of coal: 12.95 EUR per 1000 kg of coal

UNITED KINGDOM CORPORATE TAX SUMMARY:

The United Kingdom has a statutory corporate income tax rate of 23% and a VAT tax rate of 20%.²⁰⁴ There are also local business property taxes that are levied by local governments, and there are additional environmental taxes that are applied by the federal government.

Property Taxes:

For a prospective business in NorthWest Leicestershire (East Midlands region), a uniform business rate (U.B.R) of 0.4140 (GBP) would be applied on the value of taxable property. For example, if the ratable value of the land is 22,000 (GBP), then the amount of taxes owed would be 9,108 (GBP) or approximately \$14,000 ($22,000 \times .4140 = 9,108$).²⁰⁵

Environmental Taxes²⁰⁶:

Commodity	Rate from 1 Apr 2013	Rate from 1 Apr 2014	Reduced rate of CCL for CCA holders
Electricity	0.524 pence per kilowatt hour	0.541 pence per kilowatt hour	From 10% for 2013-14
In Great Britain, gas supplied by a gas utility or any gas supplied in a gaseous state that is of a kind supplied by a gas utility.	0.182 pence per kilowatt hour	0.188 pence per kilowatt hour	From 35%
Gas supplied by a gas utility or any gas supplied in a gaseous state that is of a kind supplied by a gas utility for burning in Northern Ireland.	0.064 pence per kilowatt hour until 31 Oct 2013 then main natural gas rate applies	0.064 pence per kilowatt hour until 31 Oct 2013 then main natural gas rate applies	None until 31 Oct 2013 From 35% as of 1 Nov 2013
Any petroleum gas, or other gaseous hydrocarbon, supplied in a liquid state.	1.172 pence per kilogram	1.210 pence per kilogram	From 35%
Any other taxable commodity.	1.429 pence per kilogram	1.476 pence per kilogram	From 35%

Appendix B: Regional Tables

Economic Indicators	NCSE	Manitoba	Rhineland-Palatinate	East Midlands	Limburg	Hokkaido
Population	1,102,381	1,274,000 (2013)	3.9 million (2011)	4.5 million (2011)	1,114,000 (2012)	5.4 million (2011)
Unemployment Rate	10.70%	5.40% (2011)	5.70% (2010)	7.7% (2010)	6.9% (March 2012)	5.5% (2009)
Land Surface Area (sq. miles)	7,468 sq. miles	211,721 sq. miles	7,663 sq. miles	6,033 sq. miles	831 sq. miles	32,221 sq. miles
Population Density	147.61 persons/sq. mile	6 persons/sq. mile	509 persons/sq. mile	746 persons/sq. mile	1341/sq. mile	168/sq. miles
Unionization Rate (all industries)	4.30% (NC)	38% (2010)	18% (2013 – countrywide)	25% (all sectors, 2012)	20% (countrywide – 2013)	18% (2012 – countrywide)
Employed persons	505,339	625,000 (2011)	1,864,000 (2010)	2.1 million (Feb-Apr 2013)	506,000 (2011)	2.7 million
Gross Domestic Product (US \$)	\$ 393 billion (NC)	\$ 41.7 billion (2011)	\$ 137.3 billion (2010)	\$ 132.7 billion (2010)	\$ 44.6 billion (2010)	\$ 182.4 billion (2010)
Real GDP per capita (US \$)	\$ 42,884 (NC)	\$ 33,755 (2011 market prices)	\$ 34,275 (2010)	\$ 29,731 (2010)	\$ 40,321 (2010)	\$ 33,134 (2010)
Total Value of Exports (US \$)	\$ 28.8 billion (NC)	\$ 11.2 billion (2011)	\$ 51.8 billion (2010)	\$ 5.6 billion (2010)	N/A	3.8 billion (2012)
Personal Income Per Capita (US \$)	\$ 31,448	\$ 33,903 (2011)	-	-	-	\$ 24,162 (2010)
Median Household Income (US \$)	\$ 38,657	-	\$ 28,095 (2009)	\$ 21,636 (2011)	\$ 41,215 (2009)	-

Business Costs	Rhineland-Palatinate	NCSE
Average monthly gross wages for hourly workers (mfg. industry)	\$ 3,338.02 (2010)	\$ 4,071.00 (2011)
Average monthly gross wages for salaried workers (mfg. industry)	\$ 4,950.88 (2010)	\$ 4,071.00 (2011)
Office Rent Rate in Suburban Area (per sq. ft.)	\$ 1.38 (2010)	\$ 5.00 - \$ 23.00
Minimum Wage (US \$/hour)	\$ 9.57 (2013)	\$ 7.25 (2013)

Business Costs	East Midlands	NCSE
Avg. gross hourly pay (all industries)	\$ 19.76 (2012)	\$ 22.32 (2011)
Avg. gross hourly pay (mfg. only)	\$ 20.85 (2012)	\$ 22.13 (2011)
Avg. Industrial/warehouse unit rental values (10,470-31,410 sq. ft.) ²⁰⁷	\$ 6.39 (2011)	\$ 2.50 - \$ 11.00 (2013)
Industrial land price (cleared industrial development site, per acre)	\$ 240,631.58 (2011)	\$ 10,000 - \$ 50,000 (2013)
Minimum wage (US \$/hour)	\$ 9.38 (2013)	\$ 7.25 (2013)

Business Cost	Limburg	NCSE
Avg. cost of land in industrial parks (per sq. ft.)	\$ 18.28 (2010)	\$ 2.87 (2013)
Avg. cost of office space rent (per sq. ft.)	\$ 15.84 (2011)	\$ 5.00 - \$ 23.00
Avg. cost of rent in industrial business park (per sq. ft.)	\$ 5.97 (2011)	\$ 2.50 - \$ 3.95
Minimum Wage (US \$/hour)	\$ 10.72 (2012)	\$ 7.25 (2013)

Business Costs	Manitoba	NCSE
Industrial Space Lease Rate (per sq. ft.)	\$ 15.31 (2012)	\$ 2.50 - \$ 3.95
Monthly Charge for Natural Gas (Small General Service)	\$ 14.00 (2013)	\$ 22.00 (2013)
Monthly Charge for Natural Gas (Large General Service)	\$ 77.00 (2013)	\$ 350.00 (2013)
Industrial Electricity Rate (per kWh)	\$ 0.035 (2011)	\$ 0.064 (2013)
Average Hourly Wages (all industries)	\$ 20.25 (2011)	\$ 22.32 (2011)
Price of land in industrial parks (US \$/acre)	\$ 5,500 - \$ 150,000 (2013)	\$ 5,000 - \$ 50,000 (2013)
Minimum Wage (US \$/hour)	\$ 10.25 (2011)	\$ 7.25 (2013)

Business Costs	Hokkaido	NCSE
Average Price of Land (industrial site, per sq. ft.)	\$ 11.35 (2010)	\$2.18 (2013)
Average Price of Land (Commercial site, per sq. ft.)	\$ 59.76 (2010)	\$10.33 (2013)
Average Office Rent (US \$/sq. ft)	\$2.28 (June 2008)	\$ 5.00 - \$ 23.00 (2013)
Average Monthly Cash Earnings (all industries)	\$ 2,966.89 (2011)	\$ 4,107.09 (2011)
Average Monthly Cash Earnings (mfg. only)	\$ 2,710.75 (2011)	\$ 4,071.00 (2011)
Industrial electricity rate (per kWh)	\$ 0.12 (2012)	\$ 0.064 (2013)
Minimum Wage (US \$/hour)	\$ 6.98 (2011)	\$ 7.25 (2013)

Appendix C- End Notes

- ³⁷ European Network for Rural Development (2010) https://webgate.ec.europa.eu/myenrd/app_templates/filedownload.cfm?id=D4B8E400-B1B4-43DB-9F6C-CCB430F7F163, p.1.
- ³⁸ Ibid
- ³⁹ <https://ec.europa.eu/eures/main.jsp?lang=en&acro=Imi&catId=370&countryId=DE®ionId=DEB&langChanged=true>
- ⁴⁰ <http://www.gtai.de/GTAI/Navigation/EN/Invest/Business-location-germany/Federal-states/rheinland-pfalz.html>
- ⁴¹ <http://www.rlp.de/english/>
- ⁴² <http://www.iea.org/publications/freepublications/publication/kwes.pdf> (2012 diesel price of \$6.25/gal multiplied by 324 miles)
- ⁴³ <https://www.destatis.de/EN/FactsFigures/CountriesRegions/RegionalStatistics/RegionalStatistics.html>
- ⁴⁴ <http://ec.europa.eu/enterprise/policies/innovation/policy/regional-innovation/monitor/index.cfm?q=p.regionalProfile&r=DEB&fj=true#economy>
- ⁴⁵ <http://www.chemicalparks.com/parks/Seiten/RhinelandPalatinate.aspx>
- ⁴⁶ <http://www.worker-participation.eu/National-Industrial-Relations/Across-Europe/Trade-Unions2>
- ⁴⁷ <http://ec.europa.eu/enterprise/policies/innovation/policy/regional-innovation/monitor/index.cfm?q=p.regionalProfile&r=DEB&fj=true#economy>
- ⁴⁸ Ibid
- ⁴⁹ Ibid
- ⁵⁰ <http://www.chemicalparks.com/parks/Seiten/RhinelandPalatinate.aspx>
- ⁵¹ Classified as "Income of Households" http://appsso.eurostat.ec.europa.eu/nui/show.do?dataset=nama_r_ehh2inc&lang=en
- ⁵² http://www.intecparks.com/fileadmin/user_upload/Intecparks/PDFs/Guidelines-ISB.pdf (p.7)
- ⁵³ All employees in manufacturing industry. The hourly wage was multiplied by 8 hours in a work day, and then multiplied by 23 work days in a month (excl. weekends) Source: 2012 NCSE State of the Region.
- ⁵⁴ http://www.intecparks.com/fileadmin/user_upload/Intecparks/PDFs/Guidelines-ISB.pdf (p.7)
- ⁵⁵ All employees in manufacturing industry. The hourly wage was multiplied by 8 hours in a work day, and then multiplied by 23 work days in a month (excl. weekends). Source: 2012 NCSE State of the Region.
- ⁵⁶ http://www.intecparks.com/fileadmin/user_upload/Intecparks/PDFs/Guidelines-ISB.pdf, p. 5 (US \$ price of \$14.21 per sq. meter divided by 10.47 feet)
- ⁵⁷ Search results from July 17, 2013 via www.showcase.com for all office or flex properties available for lease with a building size between 1 – 10,000 sq. ft. in Wilmington, NC.
- ⁵⁸ https://www.destatis.de/EN/FactsFigures/NationalEconomyEnvironment/EarningsLabourCosts/MinimumWages/Tables/MinimumWages_Germany2012.html
- ⁵⁹ U.S. Department of Labor. <http://www.dol.gov/whd/minwage/america.htm#NorthCarolina>
- ⁶⁰ <http://webarchive.nationalarchives.gov.uk/20100512150204/http://www.emda.org.uk/about/aboutem.asp?nav=02>
- ⁶¹ Ibid
- ⁶² http://webarchive.nationalarchives.gov.uk/20100512150204/http://www.eastmidlandstourism.com/?page_id=11
- ⁶³ UK Office for National Statistics (June 2013) <http://www.ons.gov.uk/ons/rel/regional-trends/region-and-country-profiles/economy--june-2013/economy--east-midlands--june-2013.html>
- ⁶⁴ The Manufacturer (2012), "Exports from East Midlands grows to £ 13.5 billion." <http://www.themanufacturer.com/articles/exports-from-east-midlands-grows-to-13-5bn/>
- ⁶⁵ Ibid
- ⁶⁶ <http://www.iea.org/publications/freepublications/publication/kwes.pdf> (2012 diesel price of \$7.08/gal multiplied by 91 miles)
- ⁶⁷ All data for NCSE was obtained from the 2013 NCSE Regional Economic Profile
- ⁶⁸ UK Office for National Statistics (2012) http://www.ons.gov.uk/ons/dcp29904_291556.pdf, p. 1.
- ⁶⁹ <http://webarchive.nationalarchives.gov.uk/+http://stats.berr.gov.uk/sd/rep/rep2011.asp>
- ⁷⁰ UK Office for National Statistics (2013) http://www.ons.gov.uk/ons/dcp171766_305943.pdf
- ⁷¹ UK Office for National Statistics (2012) <https://www.gov.uk/government/publications/trade-union-statistics-2012>
- ⁷² <http://www.nomisweb.co.uk/reports/lmp/gor/2013265924/report.aspx>
- ⁷³ http://europa.eu/rapid/press-release_STAT-13-46_en.htm
- ⁷⁴ Ibid
- ⁷⁵ The Manufacturer (2012), "Exports from East Midlands grows to £ 13.5 billion." <http://www.themanufacturer.com/articles/exports-from-east-midlands-grows-to-13-5bn/>
- ⁷⁶ http://www.ons.gov.uk/ons/dcp171778_307651.pdf
- ⁷⁷ "Median household income"
- ⁷⁸ UK Office for National Statistics, Region by Occupation (2012) <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-280149>
- ⁷⁹ Daily average wage for all industries divided by 8 hours in the work day. Source: 2012 NCSE State of the Region
- ⁸⁰ UK Office for National Statistics, Region by Occupation (2012) <http://www.ons.gov.uk/ons/publications/re-reference-tables.html?edition=tcm%3A77-280149>

⁸¹ Daily average wage for manufacturing industry divided by 8 hours in the work day. Source: 2012 NCSE State of the Region.

⁸² 1,000 -3,000 sq. meter multiplied by 10.47 feet.

⁸³ UK Valuation Office Agency, "Property Market Report 2011" http://www.voa.gov.uk/dvs/downloads/pmr_2011.pdf, p.24 (price is for the City of Leicester). US \$ amount of \$ 66.87 divided by 10.47 feet

⁸⁴ Search results from July 25, 2013 via www.showcase.com for all industrial or flex properties available for lease with available space between 10,000 – 31,500 sq. ft.

⁸⁵ UK Valuation Office Agency, "Property Market Report 2011" http://www.voa.gov.uk/dvs/downloads/pmr_2011.pdf, p.28 (US \$ price of \$594, 360 per hectare divided by 2.47 acres)

⁸⁶ National minimum wage for a person at least 20 years of age. Rate will become effective on October 1, 2013. <http://www.oneeastmidlands.org.uk/node/2374>

⁸⁷ U.S. Department of Labor. <http://www.dol.gov/whd/minwage/america.htm#NorthCarolina>

⁸⁸ Limburg Development and Investment Company (2012) <http://www.liof.com/data/files/alg/id259/General%20Profile%20of%20Limburg%20in%20English%202012.pdf>, p.1

⁸⁹ Limburg Development and Investment Company (2012) <http://www.liof.com/en/why-limburg.aspx?mainid=232>

⁹⁰ Ibid

⁹¹ <http://www.iea.org/publications/freepublications/publication/kwes.pdf> (2012 diesel price of \$5.98/gal multiplied by 114 miles)

⁹² All data for NCSE was obtained from the 2013 NCSE Regional Economic Profile

⁹³ <http://www.liof.com/en/facts-figures.aspx?mainid=355>

⁹⁴ Ibid

⁹⁵ http://www.locateinlimburg.com/data/acms/docs/downloads_docs2/1_locate_in_limburg_brochure.pdf

⁹⁶ <http://www.worker-participation.eu/National-Industrial-Relations/Across-Europe/Trade-Unions2>

⁹⁷ <http://www.liof.com/en/facts-figures.aspx?mainid=355>

⁹⁸ http://europa.eu/rapid/press-release_STAT-13-46_en.htm

⁹⁹ Ibid

¹⁰⁰ <http://www.liof.com/en/facts-figures.aspx?mainid=355>

¹⁰¹ "Median household income"

¹⁰² Limburg Development and Investment Company (2012) <http://www.liof.com/data/files/alg/id259/General%20Profile%20of%20Limburg%20in%20English%202012.pdf> (p.23). Avg. maximum price for industrial park in capital city of Venlo (US \$ price of \$191.40 per sq. meter divided by 10.47 feet).

¹⁰³ Limburg Development and Investment Company (2012) <http://www.liof.com/data/files/alg/id259/General%20Profile%20of%20Limburg%20in%20English%202012.pdf> (p.23). Avg. maximums price for office space rent in capital city of Venlo (US \$ price of \$165.88 per sq. meter divided by 10.47 feet).

¹⁰⁴ Search results from July 17, 2013 via www.showcase.com for all office or flex properties available for lease with a building size between 1 – 10,000 sq. ft.

¹⁰⁵ Limburg Development and Investment Company (2012) <http://www.liof.com/data/files/alg/id259/General%20Profile%20of%20Limburg%20in%20English%202012.pdf> (p.23). Avg. maximum price for rent in Trade Port West business park in capital city of Venlo (US \$ price of \$62.52 per sq. meter divided by 10.47 feet).

¹⁰⁶ Search results from July 25, 2013 via www.showcase.com for all available industrial or flex properties with an available space between 50,000 – 100,000 sq. ft.

¹⁰⁷ Limburg Development and Investment Company (2012) <http://www.liof.com/data/files/alg/id259/General%20Profile%20of%20Limburg%20in%20English%202012.pdf> (p. 9) National rate for an individual at least 23 years of age. The statutory minimum daily minimum wage of \$85.76 was divided by 8 hours to determine the hourly rate of \$10.72.

¹⁰⁸ U.S. Department of Labor. <http://www.dol.gov/whd/minwage/america.htm#NorthCarolina>

¹⁰⁹ <http://www.manitoba.ca/iem/energy/initiatives/hydro.html>

¹¹⁰ <http://www.gov.mb.ca/ctt/invest/strategic/strat5.html>

¹¹¹ <http://www.gov.mb.ca/ctt/profiles/aerospace/index.html>

¹¹² <http://www.gov.mb.ca/ctt/profiles/foodproc/index.html#content>

¹¹³ <http://www.winnipeggasprices.com/index.aspx?fuel=D> (July 13 diesel price of \$4.35/gal multiplied by 1809 miles)

¹¹⁴ http://www.gov.mb.ca/asset_library/en/statistics/demographics/de_popn-qrt_mbs3a6_n.pdf

¹¹⁵ http://www.gov.mb.ca/ctt/invest/busfacts/overviews/ov_economic.html

¹¹⁶ <http://www.travelmanitoba.com/VisitorInformation/>

¹¹⁷ http://www.gov.mb.ca/ctt/invest/busfacts/workforce/union_all.html

¹¹⁸ http://www.gov.mb.ca/ctt/invest/busfacts/overviews/ov_economic.html

¹¹⁹ http://www.gov.mb.ca/ctt/invest/busfacts/economy/gdp_1.html

¹²⁰ http://www.gov.mb.ca/ctt/invest/busfacts/overviews/ov_economic.html

¹²¹ Ibid

¹²² http://www.economicdevelopmentwinnipeg.com/uploads/document_file/personal_disposable_income_per_capita.pdf

¹²³ http://www.gov.mb.ca/ctt/invest/busfacts/sites/lease_rates.html

- ¹²⁴ Search results from July 25, 2013 via www.costar.com for all available industrial or flex properties with an available space between 50,000 – 100,000 sq. ft.
- ¹²⁵ Manitoba Hydro, Current Natural Gas Rates, http://www.hydro.mb.ca/regulatory_affairs/energy_rates/natural_gas/current_rates.shtml#gas_rates_high_volume
- ¹²⁶ Piedmont Natural Gas industrial rates, effective May 1, 2013. http://www.piedmontng.com/files/pdfs/rates/nc_rates_2013-07.pdf
- ¹²⁷ http://www.hydro.mb.ca/regulatory_affairs/energy_rates/natural_gas/current_rates.shtml#gas_rates_high_volume
- ¹²⁸ Piedmont Natural Gas industrial rates, effective May 1, 2013. http://www.piedmontng.com/files/pdfs/rates/nc_rates_2013-07.pdf
- ¹²⁹ Price is for the capital city of Winnipeg. (Power: 50,000 kW; Voltage: 120kv; Consumption: 30,600,000 kWh; Load Factor: 85%) <http://www.gov.mb.ca/ctt/invest/busfacts/utilities/compare.html>
- ¹³⁰ Rate is for energy charge in excess of 90,000 kWh. The first 3,000 kWh per month is charged at a rate of \$0.112846 per kWh. The next 87,000 kWh per month is charged at a rate of \$0.6654 per kWh. <http://www.considerthecarolinas.com/pdfs/NCSchedule1.pdf> (Schedule I Industrial Service)
- ¹³¹ Including overtime pay. http://www.gov.mb.ca/ctt/invest/busfacts/workforce/wages_all.html
- ¹³² Daily average wage for all industries divided by 8 hours in the work day. Source: 2012 NCSE State of the Region
- ¹³³ http://www.gov.mb.ca/ctt/invest/busfacts/sites/ind_parks3.html#Morden
- ¹³⁴ http://www.gov.mb.ca/ctt/invest/busfacts/workforce/min_wages.html
- ¹³⁵ U.S. Department of Labor. <http://www.dol.gov/whd/minwage/america.htm#NorthCarolina>
- ¹³⁶ Doing Business in Japan: 2012 Country Commercial Guide for US Companies http://export.gov/japan/build/groups/public/@eg_jp/documents/webcontent/eg_jp_063937.pdf, p.8.
- ¹³⁷ Ibid
- ¹³⁸ <http://stats-japan.com/t/kiji/10658>
- ¹³⁹ Japan External Trade Organization (July 2012) <http://www.jetro.go.jp/en/invest/region/hokkaido/>
- ¹⁴⁰ Japan External Trade Organization (July 2012) <https://www.jetro.go.jp/en/invest/region/hokkaido/icinfo.html>
- ¹⁴¹ Ibid
- ¹⁴² The Japan Times (April 2013), “Hokkaido electric seeks ok for rate hike.” <http://www.japantimes.co.jp/news/2013/04/25/business/hokkaido-electric-seeks-ok-for-rate-hike/#.UcmShZzNKVO>
- ¹⁴³ Japan Statistical Yearbook 2013, Ch. 2 Population and Households, <http://www.stat.go.jp/english/data/nenkan/index.htm>
- ¹⁴⁴ <http://stats-japan.com/t/kiji/11187>
- ¹⁴⁵ Japan Statistical Yearbook 2013, Ch. 1 Land and Climate, <http://www.stat.go.jp/english/data/nenkan/index.htm>
- ¹⁴⁶ Organisation for Economic Co-operation and Development (OECD), Trade Union Density (2012). <http://stats.oecd.org/Index.aspx?QueryId=20167>
- ¹⁴⁷ <http://www.jetro.go.jp/en/invest/region/hokkaido/>
- ¹⁴⁸ <http://stats-japan.com/t/kiji/10709>
- ¹⁴⁹ Ibid
- ¹⁵⁰ <http://www.hkd.meti.go.jp/hoksr/gaikyo/gai2507/hyou2507.pdf>, translated by Akiko Masumura, Trade Assistant, NC Dept of Commerce – Japan Office
- ¹⁵¹ <http://stats-japan.com/t/kiji/10714>
- ¹⁵² Japan Statistical Yearbook 2013, Ch.17 Prices, (US \$ price of \$118.80 per sq. meter divided by 10.47 feet) <http://www.stat.go.jp/english/data/nenkan/1431-17.htm>
- ¹⁵³ Japan Statistical Yearbook 2013, Ch.17 Prices, (US \$ price of \$625.68 per sq. meter divided by 10.47 feet) <http://www.stat.go.jp/english/data/nenkan/1431-17.htm>
- ¹⁵⁴ Phone interview with Jeremy Phillips, Environments Unlimited 7/22/13. Estimates are for property in Wilmington metro area. Approx. price of \$ 450,000 divided by 43,560 sq. feet.
- ¹⁵⁵ Business Location Guidebook Hokkaido (Feb 2009). http://www.pref.hokkaido.lg.jp/kz/ssg/sgr/grp/02/location_guidebook_english.pdf, p. 6, price is for capital city of Sapporo. (US \$ price of \$81.08 per tsubo divided by 35.58 feet).
- ¹⁵⁶ Search results from July 17, 2013 via www.showcase.com for all office or flex properties available for lease with a building size between 1 – 10,000 sq. ft.
- ¹⁵⁷ Japan Statistical Yearbook 2013, Ch. 16 Labour and Wages, <http://www.stat.go.jp/english/data/nenkan/1431-16.htm>
- ¹⁵⁸ Average monthly wage for all industries. The hourly wage was multiplied by 8 hours in a work day, and then multiplied by 23 work days in a month (excl. weekends). Source: 2012 NCSE State of the Region.
- ¹⁵⁹ Japan Statistical Yearbook 2013, Ch. 16 Labour and Wages, <http://www.stat.go.jp/english/data/nenkan/1431-16.htm>
- ¹⁶⁰ Average monthly wage for all employees in manufacturing industry. The hourly wage was multiplied by 8 hours in a work day, and then multiplied by 23 work days in a month (excl. weekends) Source: 2012 NCSE State of the Region.
- ¹⁶¹ Rate is for general cost of business use. Basic charge for 1kW is \$17.67. <http://www.hepco.co.jp/userate/price/unitprice/unitprice04.html>, translated by Akiko Masumura, Trade Assistant, NC Dept of Commerce – Japan Office
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