

WHERE
partnerships
MAKE THE
difference!

THE

INSIDER

— a publication from the



marlboro county
ECONOMIC DEVELOPMENT PARTNERSHIP



2016 Will Be (Another) Test of the Economic Recovery

from Ron King

In This Issue:

- 1-3 2016 Will Be (Another) Test of the Economic Recovery
- 4 Did You Know?
- 5 Sponsorship Package
- 6 2016 MCEDP Sponsors
- 7 Calendar of Events

Hooray for the U.S. economic recovery! Unemployment is down, consumer confidence is up and the “American Spirit” that keeps America Inc. hopping are finally returning. The Federal Reserve earlier this month raised interest rates for the first time since 2008; feeling optimistic enough to have turned the page on the Great Recession. Or is it? Most professional forecasters expect the U.S. economy to continue its slow steady growth. However, some experts see danger on the horizon.

Citi Research analysts put the probability of the U.S. entering a new recession (two consecutive quarters of shrinking economic growth) at 65 percent. That prediction is partly rooted in history. By looking at previous recessions in the U.S., U.K., Germany and Japan between 1970 and 2014, the bank found that the odds of a downturn crosses 50 percent roughly five years into a recovery. Notably, the U.S. is in year seven of its post-recession rebound.

A number of headwinds threaten to batter the fragile U.S. recovery into submission in 2016. And by far the most powerful of these storms is the ongoing economic turbulence in China, Brazil, Turkey and other emerging markets.

Emerging markets are slowing a lot, with a few countries already in recession. The main reason emerging economies are struggling, in a word: overcapacity. After decades of investing in roads, factories,

continued on page 2

Ron King
Executive Director

Brandinika Ritter
BS, MFS
Administrative Assistant
marlborocountysc.org
843-479-5626
PO Box 653
214 Market Street
Bennettsville, SC 29512

high-speed trains, housing and other hallmarks of a modern economy, these countries have too much industrial fire-power and too little demand to sustain the fast growth required to justify all that spending.

CITI RESEARCH

For the U.S., a recession triggered by economic deterioration abroad would be a first. Typically, bouts of declining

domestic growth are caused by a down-draft in domestic demand, often as a result of high interest rates that stifle borrowing and investment, decreasing wages, weak spending, eroding consumer confidence, rising prices and other factors that combine to short-circuit economic activity.

This time around, if it comes, the next road to recession is likely to pass through Beijing. China's efforts to "rebalance" the world's second-largest economy away from manufacturing and investment toward consumption, have led to a dramatic slowdown that's unlikely to reverse in 2016.

Citi Research expects China's currency, the renminbi, to continue to weaken this year, which would almost certainly spread deflation to other parts of the world.

The U.S. is already feeling the impact of a global slowdown. Manufacturers are hurting as a result of ebbing demand overseas, as evidenced by ABB Baldor in Clio.

"As I see it, manufacturing, like most other sectors of the economy, will grow increasingly competitive in 2016."

The U.S. economy may look stable as measured by conventional measures of growth, such as job creation and GDP. But beneath the surface, the cracks left by the recession, from high household debt to tepid corporate profits, have left American consumers and businesses vulnerable to large external shocks -- of the

kind now starting to ripple through emerging markets.

AS I SEE IT

If you want to take the pulse of what is going on in our economy, look no further than our small- and medium-sized manufacturers. Although each company and location is unique, we do see some common themes. Here are the trends I am seeing and a prediction for manufacturing in 2016.

Drivers:

Volatile end-user markets: For many of our plants, end-user markets are the most volatile they've been in recent memory. Oil and gas is up, and then it bottoms out. Agricultural equipment does the same. Defense, aerospace, locomotives, automobiles – tracing the different trajectories of each will get you dizzy.

People Gap: Is it a skills gap or a wage gap? The truth is, manufacturers can't easily find all the people they need at the price they need with the skills they need. There is nothing more frustrating for a manufacturer than turning down work because of a lack of workforce. Manufacturers have had to step to the forefront to solve this problem, helping higher edu-



FOLLOW US ON **TWITTER**

twitter.com/mceconomicdev

Stay up to date on the latest news and more!



cation focus on what skills they'll need when, and encouraging economic development and workforce development boards to lend their expertise. Manufacturers will solve this problem, even if it means keeping on Baby Boomers, recruiting at an earlier age, continuing to replace people with machines, and other creative strategies that you and your fellow companies are devising right now. I was an active participant the last time this occurred in the 90's.

Digitization: It is the fourth major upheaval in modern manufacturing that McKinsey first articulated a couple of years ago. Evidence of the digitization of manufacturing is all around us. And it's not just about using 3D printing in manufacturing. This is probably not yet economically feasible. However, the other elements of digitization is affecting us. The advanced analytics and human-machine interfaces (including robotics) are disruptive emerging trends that our progressive manufacturers cannot afford to ignore.

Make sure your internal house is in order. It's always easier to look outside your organization for growth, but would you be ready for it if it came? Our local

Manufacturing Extension Partnership (SCMEP) can provide a comprehensive diagnosis for our local plants.

As I see it, manufacturing, like most other sectors of the economy, will grow increasingly competitive in 2016. Market volatility, lack of easily available workforce, and digitization will continue to present challenges to productivity and profitability. Manufacturers will need to look for creative ways to hold on to their existing customers, focus on preparing for growth, and make sure they are in top-notch shape to be competitive in 2016.

What are you doing to competitively position your company for 2016? What trends are you noticing and what challenges are you experiencing? I'd love to hear about them. Please comment or email your thoughts to me at r.king@marlborocounty.sc.gov.

"As I See It | Predictions for Manufacturing in 2016." *Ady Advantage*. 10 December 2015. Web.

"Will the U.S. Economy Slip into Recession in 2016?" *CBS Money Watch*. 23 December 2015. Web.





Did you know that....

..... Domtar now provides 60% of all North American receipt and lottery paper?



..... Mohawk "Oak River" facility hosted the first ever in the nation Industry Appreciation Day in 1957?



..... Marlboro County sends a greater % of HS Graduates to College (2 or 4 year) than the State of SC or US on average?

..... a Cookout restaurant is coming to Bennettsville? The building will be located on Highway 15-401 Bypass with expectation of being completed in February.



CONTACT US

We would love to hear from you!

Ron King

r.king@marlborocounty.sc.gov

Brandinika Ritter

EDevAsst@marlborocounty.sc.gov

The 2016 Sponsorship drive is now underway. What better way to target the business, industry and a leadership audience of Marlboro County than to align yourself with an outlet that keeps in touch with them all? Your support is featured in our newsletter issued six times a year and at events throughout the year.

PLATINUM - \$1,500

Talk Time!

Entry on one of the event's evening agenda to address the audience.

Premier Event Designation

This allows you to be the exclusive sponsor of a major portion of the event
(i.e. – Dinner at Industry Appreciation Day).

Designated Table

Platinum sponsors will have their own designated table for six at Industry Appreciation Day.

Cover Spot

Your company logo will appear on the cover of an event program.

Promotional Placement

Your company will receive the most prominent placement on promotional material both printed and electronic.

Sponsor Spotlight

Your company may have a featured 300 word article in the newsletter once a year.

GOLD - \$1,000

Talk Time!

An invitation to address the MCEDP Board at our monthly board meetings.

Event Designation

This allows you to be the exclusive sponsor of a portion of the event
(i.e. – Lunch at Industry Appreciation Day).

Promotional Placement

Your company will receive prominent placement on promotional material both printed and electronic.

Sponsor Spotlight

Your company may have a featured 300 word article in the newsletter once a year.

SILVER - \$500

Talk Time!

An invitation to address the MCEDP Board at our monthly board meetings.

Event Designation

This allows you to be the exclusive sponsor of a portion of the event
(i.e. – Dove Shoot at Industry Appreciation Day)

Promotional Placement

Your company will be featured on the promotional material, both printed and electronic.

BRONZE - \$250

Event Designation

This allows you to be the exclusive sponsor of a portion of the event
(i.e. – Reception at Industry Appreciation Day).

Promotional Placement

Your company will be featured on the promotional material, both printed and electronic.

PRODUCT & SERVICES

Promotional Placement

In exchange for your product and or service discount, your company will be featured on the promotional material, both printed and electronic.

GOLF - MULTI LEVEL (\$100 Minimum)

Hole \$100 • Snack Boxes \$250
Beverage Cart \$500

Signage on

hole, beverage cart or snack box, respectively.

Promotional Placement

Your company will be featured on all of the promotional material, both printed and electronic.

Placement Includes:

Electronic and mailed save the date and invitations, contributors webpage with logo links to your webpage, MCEDP newsletter, newspaper, event related emails, evening programs, event posters and signage.



marlboro county
ECONOMIC DEVELOPMENT PARTNERSHIP



A special *Thank You* to our 2016 MCEDP Sponsors

PLATINUM



GOLD



SILVER



BRONZE



Marlboro County Calendar of Events

February 2016 Events

Date	Time	Event	Location	Cost
2	10:00am–Noon	Arts & Crafts Class	Wallace Family Life Center	Free
3-4	---	Mobile Spay/Neuter Clinic	MC Humane Society/Fido Fixers	---
4	7:00pm	Dr. Marlena Smalls-Hallelujah Singers	Marlboro Civic Center	\$15
7	4:00pm	Super Bowl Choir Fest	Marlboro Civic Center	\$10-12
10	9:00am–Noon	Adult Education	Wallace Family Life Center	Free
17	9:00am–11:00am	Donut Wednesdays	Veterans' Affairs Office	Free
20	6:00pm–11:00pm	Rotary Club Annual Oyster Roast	Bennettsville Community Center	\$40
24	9:00am–Noon	Adult Education	Wallace Family Life Center	Free
25	8:00pm	Clint Black Concert	Marlboro County Civic Center	\$50



PO Box 653
214 Market Street
Bennettsville, SC 29512

