State could add more jobs

Economists say manufacturing likely to lead way next year, albeit slowly

By Rudolph Bell
Staff writer
dbell@greenvilleonline.com

COLUMBIA — State job growth should hit 2 percent next year, with manufacturing leading the way, for a slight improvement over this year's 1 percent, economists at the University of South Carolina predicted.

Economists Doug Woodward and Joey Von Nessen forecast a slow but steady recovery in South Carolina for 2012, though they warned that outside variables such as the European debt crisis could make things worse.

"Although we're on course for another positive year of growth and recovery, the economy is very delicate right now, and any increase in market uncertainty has the potential to knock us off course if it paralyzes businesses and prevents them from investing and hiring," Von Nessen said.

The economists predicted that manufacturing would continue to be the economic sector with the most job growth, with smaller employment gains for business and health services.

Total manufacturing employment in South Carolina grew by 5.2 percent, or 21,600 jobs, during the 12 months that ended in October, but it's still down 8 percent from its pre-recession level, Von Nessen said.

The economists said the housing and construction industries continue to struggle,

See JOBS, Page 7A

jobs

2 PERCENT
Projected state job growth for 2012

5.2 PERCENT
Total manufacturing employment growth in South Carolina over 12-month period

10.5 PERCENT
Current state unemployment rate

Continued from page 1A

and rural areas still lag in job growth.

They don't expect South Carolina's 10.5 percent unemployment rate to change much next year because more people will be entering the state's work force to compete for the available jobs.

Woodward identified Charleston as the state's top economic "hot spot," with growth in software, tourism and health-care jobs on top of a new Boeing aircraft plant.

He said Charleston is faring well partly because of a surge in the percentage of adults with four years or more of education past high school.

People with a college education are far less likely to be out of work than people without one, and in Charleston the percentage of the population with a four-year college degree rose from 28 percent to 32 percent over the past decade, Woodward said.

"It's a huge success for the state of South Carolina" that's helping to raise per capita income, he said.

The comments came at the annual economic outlook conference at USC's Moore School of Business.

Woodward said Greenville, Myrtle Beach and Sumter join Charleston as the state's top four areas for job creation.

The 5.2 percent growth in manufacturing employment doesn't include factory jobs that have been announced but haven't come online, including big investments by tire makers Continental in Sumter County and Bridgestone in Aiken County.

Those announcements, combined with continued growth from Greenville-based Michelin North America, will make South Carolina the nation's biggest tire-producing state in a few years, said state Commerce Secretary Bobby Hitt, who also spoke at the conference.

Woodward said he thinks the tire-industry jobs are coming in part because of the Obama administration's decision to slap a 35 percent duty on tires imported from China, a decision upheld by the World Trade Organization.

"We actually did engage in protectionism, and what did it do? It created jobs," Woodward told business leaders gathered for the conference.

Hitt said manufacturing employment declined for 13 years before turning positive in 2010.

The Commerce Department has announced more than 12,000 new jobs and $3.9 billion in corporate investment by manufacturers in 2011, Hitt said.

He said the agency is recruiting aviation-industry suppliers that can do business not just with the Boeing plant in North Charleston, but also the Honda corporate jet plant in Greensboro, N.C., and the Gulfstream corporate jet plant in Savannah, Ga.

"It's our time, and manufacturing is what's going to lead us there," Hitt said.