

Pennsylvania: The State of Innovation

Great companies are built in Pennsylvania – including international ones. Major international companies including Shire Pharmaceuticals, Sanofi Pasteur, Siemens, Almac, Nestle, Toshiba and others have all found a place in Pennsylvania's vibrant business community.

Last year alone, Pennsylvania had 23 foreign-based companies make the move with a total investment of more than \$371 million. Recently, Site Selection, a national publication specialising in the corporate real estate and economic development field, ranked Pennsylvania third in the United States with 453 new or expanded corporate facilities in 2011 – an increase of over 100 projects from 2010.

What Sets Pennsylvania Apart from the Rest

Located on the East Coast of the United States, within 800 kilometres of 40% of the US population and 60% of Canada's population, Pennsylvania is a prime business location in the country. Only a few hours' drive from Washington, DC and New York City, Pennsylvania sits between the nation's seat of government and main financial

centre. With a gross domestic product of over \$569 billion, Pennsylvania is the 19th largest economy in the world – larger than nations like Switzerland, Belgium and Saudi Arabia – and its continued success as an economic powerhouse has been ensured by the careful structuring of policies, legislation, and industry support.

This area also represents 45 per cent of all US manufacturers and 41 per cent of the nation's domestic trade and service industries. Reaching those customers and markets is easy and convenient because of Pennsylvania's comprehensive transportation network, including: an outstanding network of interstate highways; modern freight railroads; six international airports; and three major ports providing access to the Atlantic Ocean, the Great Lakes, and the Gulf of Mexico.

We also recognise that a quality workforce is a critical component of business competitiveness. Those companies with a presence in our state acknowledge our workforce as one of the best. The key to a quality workforce is a quality education. Pennsylvania is home to four of the nation's top 50 universities, eight of

the top 50 liberal arts colleges, three of the top business schools and two of the top 50 law schools. The University of Pennsylvania's Wharton School of Business is one of the nation's top business schools, while Carnegie Mellon University is one of the country's highest ranked graduate computer engineering schools. Pennsylvania State University's Materials Science programme is ranked among the best in the world.

Pennsylvania also offers an extensive range of customised job training programmes and partnerships, many of which specifically target the key industries in the state. Grants for workforce training are widely available for businesses choosing to locate within the state.

Trade & Investment Support Programme

Since the 1990s, Pennsylvania has been committed to breaking down barriers for businesses seeking to locate in the state, and supporting companies from Pennsylvania interested in doing business abroad. Led by the Pennsylvania Office of International Business Development (OIBD), the state has become a leader in cross-border projects and is one of the nation's fastest growing exporters, thanks to its global network of 21 overseas offices which cover 62 markets worldwide.

The Center of Trade Development (CTD) directs Pennsylvania's Export Assistance Program consisting of a Regional Export Network (REN) and a global network of Authorized Trade Representatives (ATRs) offering assistance to Pennsylvania companies in markets abroad. Services and expertise for both new-to-export companies and experienced exporters seeking new markets include: market research, customised searches for qualified buyers, agents, distributors and partners, as well as in-country logistical support for business trips, trade missions and trade shows,



REGULATORY & MARKET PLACE

among others.

A recent example of those services was the organisation and participation of companies from Pennsylvania at the 2012 BIO-Europe Spring in Amsterdam from March 19-21. The participation of the CTD together with five Pennsylvania companies has been a great success, thanks to the excellent preparation and close interaction between the CTD and our partners in the Netherlands and Belgium. The participating companies had space to promote their products as well as the opportunity to take part in the numerous meetings that had been organised beforehand by Pennsylvania's ATR. Participation in this conference has made it possible for companies from Pennsylvania to introduce their products to the Dutch / Benelux / European market and to form business partnerships in the international biotechnology community.

In addition to working with Pennsylvania companies to expand trade opportunities, OIBD also provides assistance to foreign companies that are looking to establish a presence in the Northeast US – and there is no better place than in Pennsylvania.

Working with the OIBD's Center for Direct Investment (CDI) and its partners, international companies can easily learn what it takes to set up and operate a business in Pennsylvania, including information on taxes, immigration, site selection, real estate, and legal issues. CDI can also assist with gathering market intelligence and making initial introductions for companies to potential partners and others engaged in their industry across the state.

These efforts have helped make Pennsylvania home to nearly 6000 foreign-owned businesses, employing more than 250,000 people.

A Diverse Economy

Pennsylvania's diverse economy has a variety of strengths across five main industry sectors, including life sciences, advanced materials and manufacturing, business services, high technology and energy. Our world-class educational and research institutions, along with established

industry clusters in these sectors, and strategic support from the state government and local and regional partners, has helped Pennsylvania maintain stability and growth during challenging financial times.

Pennsylvania's advanced manufacturing and materials industry contributes over \$64 billion to the gross state product and includes powdered metals manufacturing, agro-food processing, and prefabricated housing.

Our business services industry ranges from network systems and software to finance and insurance, and is one of the most ambitious in the nation.

High technology is a high priority for Pennsylvania. Our innovative programmes and initiatives are growing areas like next-generation technology and alternative energy.

Growing Life Sciences in the Keystone State

Pennsylvania is a national leader in the life science industry, and home to a cohesive community that unites biotechnology, medical device and diagnostics, pharmaceuticals and research institutions, and holds significant financial strength.

Pennsylvania boasts 79,262 life science jobs across 2279 business establishments, ranking Pennsylvania among the top six US state employers in three of the four major life science subsectors. Known for being a state of

innovation, Pennsylvania ranks fourth in the United States in life science-related patents, and fourth in total research awards from the National Institutes of Health (NIH) in FY2010.

The evolution of a new model in the life science industry presents opportunities to link scientists, entrepreneurs, funding, programmes, and policy-makers in creating solutions and policies that will grow and sustain the innovation infrastructure; launching new companies and creating jobs that have a significant impact on human health globally.

Pennsylvania is particularly unique in that it houses the entire continuum of the biosciences – world-class basic research, emerging companies, mature industry and global pharmaceuticals. These all interact to create a strong, vibrant community that is not found in many other states.

We also have strengths that support the biosciences sector, including world-class academic/research institutions, a location in the bio-pharma corridor providing access to a deep talent pool, an exceptional workforce, and partners for our region's biotechnology companies.

Despite recent economic recession, the life science industry continues to employ over 79,000 people in Pennsylvania, with wages of over \$7.2 billion, and is a significant contributor to the state's overall economy. The industry is poised for recovery and renewed growth as the economy rebounds.

In fact, the number of firms representing the industry has actually increased from 2024 in 2008, to 2279 in 2011, a 13 per cent increase. This increase is driven by the addition of 300 firms (24%) in the category of research, testing and medical laboratory. The growth in the number of firms in this sector represents an opportunity for future industry growth as these companies grow and employ additional people.

In addition to the research coming out of our universities and the recent growth of companies, Pennsylvania will continue to be a leader because of a supportive government with visionary leaders, at both the executive level with Governor Tom Corbett, and in the state legislature.



Pittsburgh, PA.



Open for Business - A True US Leader

Pennsylvania's innovative programmes and initiatives are designed to enhance the state's economy by providing the capital, infrastructure and talent necessary to create and retain high-paying, highly-skilled technology jobs. Our approach to economic development seeks to leverage our competitive business environment, manufacturing expertise, skilled labour force, world-class academic and research institutions, geographic proximity and advanced infrastructure to provide fertile ground for business growth. When considered together, these assets offer strategic and competitive advantages to businesses.

Quality of life is also important for businesses looking to expand or relocate. From the urban vibe of our contemporary cities to the rustic and peaceful countryside, Pennsylvania has something for everyone. Pennsylvania is a great place to work, live, play and raise a family.

For further information, please contact:

David Briel, Executive Director

Email: dbriel@pa.gov

Center for Direct Investment (CDI)

Peter C. O'Neill, Executive Director

Email: peoneill@pa.gov

Center for Trade Development (CTD)

This article has been written in joint cooperation by

Steve Kratz, Press Secretary Email: stkratz@pa.gov

Department of Community and Economic Development

Nadine Späth

Email: spaeth@pspsconsultants.nl

Pennsylvania's Authorized Trade Representative
(the Netherlands & Belgium)

Pennsylvania Dept. of Community & Economic Development

The mission of the Department of Community and Economic Development (DCED) is to foster opportunities for businesses to grow and for communities to succeed and thrive in a global economy.

Office of International Business Development

The Office of International Business Development (OIBD) develops economic and employment opportunity through its three Centers: Center for Direct Investment (CDI), Center for Trade Development (CTD) and the Center for Port Development.

www.newpa.com twitter accounts: @investPA | @ tradePA