

## **MAPI: Advanced Manufacturing Could Hold Promise For American South**

The Manufacturers Alliance for Productivity and Innovation (MAPI)

SGA-Commissioned Report Finds Potential to Succeed via Collaboration, Clusters

Monday, September 9, 2013; Arlington, Va. — A new report finds that the implementation of advanced manufacturing in the American South could help the region realize its economic potential and make a vital contribution to an industry-led strategy for a revival in U.S. economic fortunes.

The Southern Governors' Association, under its 2013 president, Kentucky Governor Steve Beshear, commissioned the Manufacturers Alliance for Productivity and Innovation (MAPI) to conduct an economic analysis regarding the value of a regional approach to support the advanced manufacturing sector.

“For years the states in the American South have competed with each other, but we have moved into a new era where we not only compete with each other and other states in our United States, we’re competing with the world,” Governor Beshear said. “We can compete better if the region comes together on advanced manufacturing and presents a united front. This report provides us with an important tool to begin the process.”

Cliff Waldman, MAPI senior economist, and co-author Matthew N. Murray, Ph.D., director, Howard H. Baker Jr. Center for Public Policy at the University of Tennessee, Knoxville, studied a sample size of seven states—Alabama, Arkansas, Georgia, Kentucky, North Carolina, South Carolina, and Tennessee—to represent the 16 states and two territories in the SGA membership.

Among the key findings of *Advanced Manufacturing in the American South: An Economic Analysis Supporting Regional Development*:

- A cluster strategy of economic development is the appropriate framework for promoting the evolution of a strong advanced manufacturing sector in the American South and creating the beneficial spillover impacts for the broad regional economy.
- Innovation deficits and labor force gaps are the biggest challenges but are not insurmountable. Well-placed investments in the development of science and technical education will likely yield measureable returns.
- The Southern states have been effective in promoting a low-cost strategy of economic, and particularly manufacturing, advancement. This strategy needs to be supplemented by investments that will incentivize value-added in the production process, an element of business competitiveness as important as

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low costs.

- A strategic policy approach should be developed that places advanced manufacturing in the broader context of regional economic development needs. Such a strategy should be inclusive and recognize the federal, state, and local governments that impact economic vitality in the American South.
- While the region affords the potential for the specific cluster development needed for advanced manufacturing evolution, related policy needs to address human capital challenges, infrastructure, technology adoption, and research and development.

“If the governments of the Southern states seriously consider and implement the recommendations, I am confident they would find that acting in concert as a region, as suggested by state-of-the-art cluster theory used in our analysis, will generate far greater benefits to the individual state economies than if they acted alone,” Waldman said.

See the full report [here](#) [1].

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*The Manufacturers Alliance for Productivity and Innovation (MAPI), established 1933, is a nonprofit membership organization that provides continuing professional education and development opportunities for manufacturing executives and unbiased economic and policy research to American manufacturers. Learn more at [www.mapi.net](http://www.mapi.net) [2].*

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