

EXECUTIVE SUMMARY

For businesses, Arizona means economic opportunity and high-tech innovation. Major sectors include aerospace, electronics and semiconductor manufacturing. Add to those tourism, business services and back-office operations. The US Bureau of Labor ranks Arizona the fastest-growing state in the US and places it first for job growth. The workforce, described as knowledge-based, is younger than the national average and numbers nearly 2.85 million. The University of Arizona (UA), Northern Arizona University (NAU) and Arizona State University (ASU) are well known for their cutting-edge research in emerging technologies. In addition, breakthroughs in advanced biomedicine are under way at Arizona institutions, such as the Biodesign Institute at ASU, Translational Genomics Research Institute (Tgen) and the Mayo Clinic in Greater Phoenix. More than 100 foreign-owned companies have operations in Arizona. Many benefit from gateway access to Mexico and South America. Businesses of all sorts are expanding their footprint in the state. Among the most recent are Johnson Controls to Yuma, Google to Tempe, Sanofi-Aventis to Oro Valley north of Tucson, PayPal to Scottsdale, and Pella to Tucson. Arizona's competitive business climate and favourable tax structure are key reasons. Consequently, the state is home to both Fortune 500 and start-up companies.



- First in GDP growth, according to the US Bureau of Economic Analysis (June 2006).
- First in job growth, according to the US Bureau of Labor Statistics (October 2006).
- First on the Federal Funds Information for States (FFIS) index of state economic momentum (State Policy Reports, 2006).
- Fastest-growing state in the US (US Bureau of Labor Statistics).
- Fourth most desirable state for corporations (Chief Executives Magazine's poll).

CONTACT

- Arizona: www.azcommerce.com
- Flagstaff: www.gfec.org
- Phoenix: www.gpec.org
- Tucson: www.treoaz.org
- Yuma: www.greateryuma.org
- E-mail: info@arizonaglobalnetwork.com

NEW INVESTMENT FOCUS

- Aerospace
- Electronics
- Semi conductor manufacturing
- Tourism
- Business services and back-office operations
- Agriculture and mining

RECENT ANNOUNCEMENTS

Johnson Controls: new site at Yuma
Headquartered in Milwaukee, Wisconsin, the Fortune 100 company is the world's largest maker of automotive batteries. The new Yuma site, with 280 jobs, will fill batteries with electrolyte, charge, label, package, and then ship to their retail distributors across the US and Canada.

Google: new site at Tempe
The company's mission is to organise the world's information and make it universally accessible and useful. The new Tempe location focuses on programming and internet design, and employs 350.

Sanofi-Aventis: expansion at Oro Valley
The group is the world's third largest pharmaceutical company, ranking number one in Europe. The expansion in Oro Valley, just north of Tucson, will add 105 new jobs.

Western Wind Energy: new site at Kingman
The company is building a 15-megawatt wind farm near Kingman's Nucor Steel plant. It is also working with a major Arizona utility on its plans to implement a 'hydrogen highway' on I-40 in northern Arizona.

PayPal: new facility at Scottsdale
The facility will provide 400 jobs. An eBay company, PayPal enables individuals or businesses with e-mail to conduct online financial transactions quickly and easily and is available in 55 countries.

Pella: new facility at Tucson
The Iowa-headquartered company is listed by Fortune Magazine as one of the US's 100 best companies to work for. The Tucson manufacturing facility is home to 400 jobs and produces Pella's trademark window and patio doors.

LABOUR MARKET

	2000	2005
Civilian labor force	2,505,306	2,843,997
Unemployment rate	4.0%	4.7%

Source: Arizona Department of Economic Security, Special Unemployment

DEMOGRAPHICS

Arizona's fast growing population is younger than the national average. The state's median age is 34.2 years, compared to the US's 35.3 years. The proportion of those younger than 25, as well as those over 65, is roughly the same as in the nation as a whole.

ARIZONA

Superior Growth • Skilled Workforce • Modern Infrastructure
Collaboration • Profound Innovations



You're invited to experience the Arizona advantage. Focused on the needs of today's most innovative companies, the state of Arizona is an ideal base to reach out to North America and beyond. A progressive business climate, advanced transportation network, major universities, and highly qualified, diverse workforce, make Arizona the premier location for growing your business. We offer site selection assistance for business location and expansion, market intelligence, comprehensive economic research, incentive information and much more.

Call today to discover how your business can grow in Arizona: 800-528-8421 or email: info@arizonaglobalnetwork.com.

www.arizonaglobalnetwork.com

ARIZONA GLOBAL NETWORK

Arizona Department of Commerce • Greater Phoenix Economic Council
Tucson Regional Economic Opportunities • Greater Flagstaff Economic Council
Greater Yuma Economic Development Corporation

Arizona

endless opportunities

A dynamic business environment is available in Arizona with its global network and wide variety of industry



Mention the name Arizona and it is only natural that notions of the Grand Canyon, luxury resorts and championship golf courses spring to mind. For many, however, Arizona means all that and much more: a hotbed of economic opportunity and high-tech innovation.

Business is so good that for the past two years *Entrepreneur* magazine named Arizona number one in the US for starting and growing business ventures. *Chief Executive Magazine's* poll ranked Arizona as the US's fourth most desirable state for corporations.

Arizona has become the ideal base for companies that need to reach out to the world. That is one of the reasons why today's largest business-to-business distributors of electronic components moved to Phoenix. "In Arizona, we enjoy a dynamic business climate and a wonderful quality of life that not many other cities can match, making it easier to attract and retain a talented workforce," says Roy Vallee, Avnet CEO.

More than 100 foreign-owned companies have operations in Arizona: ST Microelectronics (France), Kyocera (Japan), Embraer (Brazil), Quadra

Mining (Canada), Nestlé Pet Care (Switzerland), SCA Tissue (Sweden) and Dial Corporation (Germany). "An increasing number of global firms recognise Arizona as a good fit, both culturally and in terms of economic scale. Moreover, Arizona is a central gateway for companies to access robust US markets and also to tap into opportunities in Mexico and South America," says Jan Leshner, Arizona Department of Commerce director.

Regional economic efforts strengthen Arizona's communities and produce assets that make the communities and regions more competitive and attractive to business. A partnership designed to accelerate this momentum is the Arizona Global Network (AGN), a public-private economic development consortium that collaborates on international business attraction.

Southern Arizona

The population of the steadily expanding Greater Tucson region has surpassed the one million mark. The influx of people positively affects the economy and translates directly into increased labour availability. Today,

more than 35,000 people are employed in the high-tech industries of southern Arizona, encompassing aerospace and defence, analytical instruments, medical devices, biopharmaceuticals, manufacturing, electronics and optics.

The region's largest employers include Raytheon Missile Systems, IBM, Honeywell, Texas Instruments, Ventana Medical Systems and Misys Healthcare Systems.

The University of Arizona (UA), a top 20 US public research university, is a major engine pioneering the area's growth. Research conducted by UA scientists spawns new enterprises, develops breakthrough technologies and pushes science to new levels. The UA ranks in the top 10 of NASA grant recipients, and number one in space science research. The UA Science and Technology Park, which is home to nearly 30 high-tech companies, offers an environment that is designed to foster technology development from the laboratory to the marketplace.

Tucson's clear blue skies, supporting year-round product testing, and dry climate have attracted aerospace-

related attention since the early 1900s. Tucson is ranked in the top five metropolitan areas nationwide for its concentration of companies and employees in aerospace and defence.

Located 70 miles (113 kilometres) south-east of Tucson, Sierra Vista houses the US Army Intelligence Center & School and the Army Signal Command at Fort Huachuca.

Located within a half-day truck haul to more than 30 million consumers, the Greater Yuma region has attracted a variety of industry from distribution to light manufacturing companies interested in serving the south-western US markets. It has been an area of explosive growth in the past decade in aerospace and defence testing due in large part to Marine Corps Air Station Yuma, the busiest naval station in the Marine Corps, and Yuma Proving Ground, which has the land terrain to support the testing of equipment for the 'global war on terrorism'.

Two emerging clusters are renewable energies and agricultural biotechnology. Development and testing of renewable energies includes a \$3bn bio-refinery, various ethanol plants, fuel farms, bio-diesel research and solar farm developments. Agricultural biotechnology, in co-operation with the UA Agriculture Extension and Arizona Western College, has transformed traditional farming into a high-tech process. The 'farming' process now includes bio-seed fertilisation, advanced harvesting methods, automated processing and packaging, and comprehensive distribution networks.

More than 90% of the nation's production of winter loose-leaf and head lettuce comes from the Yuma Valley.

Northern Arizona

The Northern Arizona Region has been preparing for economic investment and growth through the development of new resources and assets. The Flagstaff Airpark has recently added 12,192 square metres (m²) of flex space and is available to accommodate growth. The park is next to the airport and is home to internationally renowned Machine Solutions and TGEN Center for Pathogen Diagnostics & Research. New projects

under development include a 60,960m² science and technology park, which will be adjacent to the existing US Geological Survey (USGS) campus, and a new 3048m² technology incubator facility. These facilities will provide state-of-the-art research and development space and will complement USGS primary research, such as remote sensing, water and geological mapping. An 815-acre private industrial site has been approved for development at an under-utilised military installation with rich infrastructure, including multiple rail spurs, located on I-40 and the main east-west BNSF rail line.

The region has a significant base in the medical device industry with more than 1600 jobs and has experienced high growth fuelled by the expansion of WL Gore's plant and operations.

Northern Arizona University has recently constructed new facilities that will provide 45,720m² of lab space and will be seeking a Platinum LEEDS certification. Primary research areas include infectious diseases, bio-engineering, renewable energy and forest health remediation.

Just south of Flagstaff in Prescott Valley, Lockheed Martin recently announced its expansion, adding more than 100 jobs to the region.

Central Arizona

One of the fastest-growing regions in the nation, Greater Phoenix is home to 3.7 million people with the population estimated to reach 5.9 million by 2030. This tremendous growth drives the creation of quality jobs and additional investment, attracting companies in key industries including aerospace/defence, next-generation electronics, sustainable industries, life sciences, and information and communication technology (ICT).

Nearly 300 aerospace companies are located in Greater Phoenix, and major employers include Honeywell, Boeing and General Dynamics. Phoenix Sky Harbor International Airport is the eighth busiest in the world, and Williams Gateway Airport is developing as an international aerospace centre with aircraft

manufacturing, maintenance, modification, testing and pilot training.

The region's next-generation electronics and ICT industries also flourish with a large presence of microelectronics and software firms, including Intel, Agilent Technologies and Google, as well as a pipeline of emerging technologies stemming from Arizona State University (ASU).

The thriving metropolis in the Sonoran Desert allows for cutting-edge research addressing tomorrow's energy, solar and water issues. The region is home to a photovoltaic testing laboratory – one of just three in the world and the only facility in the US where the reliability of solar models is tested.

Greater Phoenix has emerged as a hub for the life sciences industry. Unprecedented collaboration and world-class talent provide the region with a distinct competitive advantage. Connections with the Biodesign Institute at ASU, Translational Genomics Research Institute (TGen), Mayo Clinic and other innovators make Greater Phoenix a leader in advanced biomedical solutions.

Better for business

For 10 consecutive years, Arizona has reduced taxes or passed legislation that is favourable to business. In 2005, significant property tax reductions were introduced along with a new law that allows multi-state businesses operating in Arizona to 'super-weight' their sales to reduce income tax liability to the state.

Arizona also offers a unique Foreign Trade Zone Programme, which provides qualifying companies with the lowest effective property tax rates available in the US. Other programmes, including Arizona Job Training, Enterprise Zone and other business assistance, add significant value to a qualifying company's bottom line.

By any measure, Arizona's economic opportunities are wide and varied.

For business expansion assistance, incentives information and more, contact AGN at info@arizonaglobalnetwork.com or www.arizonaglobalnetwork.com