Will electrification deal Georgia a winning hand?

ATLANTA — It is often a short list favor- ite for auto assembly plant projects, but Georgia has gotten lapped by its neighbors. It came close to landing Volvo and Daimler plants in recent years, only to lose both projects to South Carolina.

Georgia now hopes that auto industry electrification offers it a shot at redemption. “It doesn’t look like there’s going to be too many new gasoline engine OEM plants coming to the U.S. anymore,” said Scott McMurray, deputy commissioner of global commerce for the Georgia Department of Economic Development. McMurray is optimistic that Georgia’s large white-collar work force and burgeoning tech in- dustry will make the state attractive for electric ve- hicle projects and invest- ments.

“Activity from auto in- dustry prospects is very strong,” he said, holding his cards close to his chest.

In December, Georgia landed a $1.7 billion lithium ion battery plant from South Korea’s SK Innovation Co. That project is expected to create 2,000 jobs in Commerce, an hour southeast of Atlanta. But more importantly for the local industry base, officials believe, the project could send an ecosystem of other suppliers in the region.

“We’ve got a lot of folks looking at the state be- cause of that project,” McMurray said. He esti- mates the SK plant could attract a dozen or more suppliers.

McMurray, 55, spoke with Staff Reporter Urvaksh Karkaria last month on Georgia’s prospects for recruiting more industry. Here are edited excerpts.

Q: Georgia sits at a crossroads among BMW, Volkswagen, Mercedes-Benz, Kia and Volvo assembly plants. What type of automotive suppliers are most active in the state?

A: We are starting to see interest from suppli- ers to the EV battery industry. Suppliers are gearing up for electrification of the automo- tive industry.

A lot of the big OEMs are announcing plans to begin producing electric vehicles. We’re seeing a lot of innovation and new invest- ment going toward the electrification of the industry.

What's Georgia's attraction?

One of the big reasons is our location. We are really are equidistant from most of the major OEM assembly plants in the Southeast. Cou- ple that with our corporate tax formula. If suppliers ship product out of the state, they have a very low corporate income tax liability. So Georgia makes sense logistically and from the business side of things.

Georgia’s Quick Start work force training program also is a major incentive because it helps suppliers get up and running very quickly.

For international suppliers, we’ve got a di- verse business base. The Japanese, Koreans and Germans feel very comfortable here in Georgia. There’s a lot of infrastructure for them in terms of restaurants, doctors, schools.

Georgia came close to landing Volvo Cars’ first U.S. factory and Daimler’s Sprinter van assembly plant. How do you view those losses?

We competed very heavily for the Volvo and Sprinter projects, and we were in it to the very end. We’ve been really unlucky in many ways. At the same time, an OEM coming to the Southeast region is really a win for every- body.

We’ve been very fortunate with the supply base that we’ve been able to attract here.

What makes Georgia more suited for EV industry investment?

A lot of the ecosystem needed to support electric vehicles and autonomous vehicles is in Georgia. We’ve got phenomenal resources here with the University of Georgia, with Georgia Tech.

Software development, fintech and cyber- security firms in metro Atlanta are also tar- geting the auto industry.

On the work force side, we’re gearing up for new production methods that we haven’t seen before. Our Quick Start training pro- gram and our technical colleges are coming up with curriculum for the training. Our local communities are helping to develop [infra- structure-equipped building] sites for these companies that we will see coming in.

Why is SK Innovation’s planned lithium ion battery plant significant for Geor- gia’s economic development efforts?

It’s truly a transformation project — it’s generational. That area of the state will be transformed by that project.

SK’s investment shows Georgia is one of the few states in the Southeast that can accom- modate plants of that size. There’s a supply base that goes along with those plants that we will also be recruiting for. We are getting con- tacted by suppliers and potential suppliers for that plant.

What kinds of suppliers?

The ones that have to do with the battery production, chemicals, solvents, recyclers, companies of that nature.

Does the SK factory improve Georgia’s prospects of luring an EV assembly plant?

Electric vehicles are all about the battery. The battery is the key technological compo- nent for these vehicles.

That’s why we’ll see the OEMs for the elec- tric vehicles also looking here to take advan- tage of the ecosystem of suppliers that we are beginning to create here in Georgia.