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## Mobile Area Chamber of Commerce

### Mobile Bay: On The Water; On The Move

Many changes taking place on Mobile's economic landscape.

With recent economic development headlines circulating about Mobile, Ala., the rest of the world is starting to take notice of this 300-year-old port city located on the central Gulf Coast.

In May, German-based ThyssenKrupp announced Mobile as the site of a \$3.7 billion steel facility, and the announcement was named one of the largest private economic development projects in U.S. history. During the life of the project it is expected that more than 29,000 construction jobs will be generated. Anticipated permanent employment is 2,700.

But just as historic are the changes taking place in Mobile's economic landscape.

The Port of Mobile is getting a new container terminal. The \$300 million project is expected to make Mobile a viable player in the increasing use of shipping containers and boost the city's ranking to the top 15 container ports in the nation.

The facility, expected to be up and running this year, will include a separate intermodal rail transfer facility and modern district complex. The initial investment will create more than 300 jobs and quadruple the port's capacity to 350,000 TEUs container units annually. Eventually, capacity will expand to 800,000 TEUs and add an anticipated 1,300 jobs.

The container terminal is a result of a public-private partnership between the Alabama State Port Authority and APM Terminal North American and Terminal Link, a division of CMA CGM.

### Unparalleled logistics

The port is one piece, be it a large portion, of Mobile's unmatched logistics. The Central Gulf Coast city is one of the largest between Houston and Tampa. Strategically located at the base of Interstate 65 and intersecting Interstate 10, Mobile touts two major interstates, five class one railroad service providers, two airports (one with a run-way long enough to land the Space Shuttle), a deep water port, extensive river tributaries and a Gulf of Mexico waterfront location.

These unparalleled logistical attributes combined with its unique team approach in wooing mega projects and a hard-working dedicated workforce, makes Mobile tough to beat and positions the city to capitalize on its strengths.

While there are plenty of blue skies and sunny dispositions to go around these days, the local economy recently emerged from painful transformation. From 2000 to 2004, the area lost nearly 4,000 jobs, with nearly 75 percent attributed to the manufacturing sector and a third of those from the paper industry.

Helping to soften the blow, Austal USA, formed in 2000, announced it would locate on Mobile's waterfront. Currently at 1,000 employees, the company continues to hire. Australian shipbuilder Austal partnered with Mobile-based Bender Shipbuilding and Repair to build aluminum high-speed passenger ferries for the U.S. market, and this year completed the largest aluminum ship built in the United States. In addition, Austal USA is part of General Dynamics' international team and assumed the key role of



designer and builder of the Navy's Littoral Combat Ship, with contracts valued at \$235 million.

Growth also continues at ST Mobile Aerospace (MAE), Mobile's largest private manufacturer. The Singapore-based company is a commercial aircraft maintenance and repair facility. MAE recently signed a seven-year, \$470 million contract with FedEx Express Corp. to convert 87 passenger jets to air freighters.

And there are dozens of other announcements that have rebuilt and expanded Mobile's job base.

What was the tipping point for the economy? Some local leaders will say there was not one and the hard work by its economic development team is paying off. Others say it was when Mobile made Boeing's short list of final sites for the 7E7 aircraft plant. When a company like Boeing says you have the best location, hands down, others want to know what you've got. Ultimately Boeing chose to stay in Everett, Wash.

That decision opened the door for the European Aeronautical Defence and Space Co. (EADS) to name Mobile as its home for its company's North American Military Modification and Assembly Line for the production of the KC-30 refueling tanker should the Northrop Grumman/EADS team win the U.S. Air Force contract. Northrop Grumman Corp., the nation's second largest defense contractor, entered the competition as the prime contractor with EADS as its principal subcontractor. The decision is expected in winter.

In the meantime, Airbus opened an engineering center, employing nearly 50 engineers. Airbus, an EADS company, is a leading aircraft manufacturer and supplier of jetliners to North American airline operators and leasing companies.

#### **More to come**

What's next? It is evident suppliers will follow in the wake of the ThyssenKrupp announcement. But there's more to this vibrant coastal Southern city. The most recent downtown investments total up to \$700 million in public-private partnerships including a cruise ship terminal, a National Maritime Museum and the completion of the tallest building on the Gulf Coast outside of Houston: a 35-story tower of class-one office space.

Enrollment at the University of South Alabama continues to grow, as does partnerships with entrepreneurs at its research and technology park and high-tech incubator. Early next year, the first academic cancer research institute in the upper Gulf Coast will open in Mobile, a world-class comprehensive research and treatment facility developed by the university along with a private not-for-profit hospital system, Mobile Infirmary.

*Bill Sisson, in his role of vice president of the Mobile Area Chamber of Commerce, is the lead economic developer for the city of Mobile and Mobile County. For more information visit [www.mobilechamber.com](http://www.mobilechamber.com)*

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