

Alabama's economy

After cotton

Alabama's small cities are poised for recovery

Mar 11th 2010 | CALVERT AND HUNTSVILLE | From *The Economist* print edition

TUCKED between the Tombigbee river and a rural highway meandering north from Mobile sits a warren of huge buildings in Willy Wonka-colours: sea-foam blue and green, desert beige and mauve. Though they look like a modern-art installation, in fact they comprise a new steel mill being built by ThyssenKrupp, a German company. According to ThyssenKrupp the \$3.7 billion mill represents the largest German investment in America ever. When it reaches full capacity in 2012, it will employ 2,700 workers and produce some 5.1m tons of carbon and stainless steel per year.

In a ranking of 378 American metropolitan areas by job-growth prospects conducted by Moody's Economy.com, Mobile ranked 12th. Three regions in Alabama finished above it: Huntsville and Auburn-Opelika ranked first and second, and Columbus-Phenix City, which straddles the Georgia border, ranked seventh (the state's two largest cities, Birmingham and Montgomery, ranked 83rd and 22nd). These areas are quite diverse: Huntsville benefits from an aerospace and defence legacy, as well as from military base realignments that will centralise several commands in the area; Mobile has ThyssenKrupp's plant as well as continued recovery from the effects of Hurricane Katrina; Auburn-Opelika has Auburn University, recipient of some \$47m in stimulus money; and Phenix City abuts a large Kia plant in Georgia and is near Fort Benning, also due to grow thanks to base realignment.

Yet these cities share advantages common to Alabama: low utility costs, property taxes and corporate income-tax rates; a good workforce-training organisation; and an aggressive economic-development organisation. Since 1993, when Mercedes built its first passenger-vehicle plant in the United States in Vance, Alabama, the state has focused on attracting foreign-owned companies, of which it now has over 300.

In Huntsville, at the other end of the state from Mobile, is the country's second-largest research-and-technology office park, home to 285 companies, including the Hudson Alpha Institute, a genomic research complex; AEGIS Technologies, responsible for the three-dimensional geospatial models of Vancouver and Beijing used in American Olympic broadcasts; and CFD Research Corporation, which pioneers military technology such as insect-mounted cameras and glucose-based batteries.

The park sprawls across a few thousand acres that were once cotton fields; indeed, cotton still grows on undeveloped land across from Hudson Alpha. But Huntsville stopped being cotton country in 1950, when Wernher von Braun, a German physicist and engineer, came to Redstone Arsenal, an army base, with his team to jump-start America's missile and rocket programmes. Today Huntsville boasts 57 foreign companies from 15 countries, and Redstone houses the army's missile, missile defence and aviation programmes. Eat your heart out, Birmingham.

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