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## **2008 marks a year of progress for R.I.: Opportunity to achieve greater prosperity in the years to come**

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Over the last few decades R.I.'s economy has changed in fundamental ways. Like the rest of the nation, its economy has shifted away from a reliance on machinery and equipment to "knowledge workers" who generate ideas and information. The state must now compete in an economy where innovation and knowledge are the primary drivers of economic growth. Though daunting, the transition to a new global innovation economy offers R.I. an opportunity to achieve greater prosperity now and in the years to come.

The R.I. Economic Development Corp. (RIEDC) 2008 Economic Growth Plan describes its strategy to promote growth, create jobs and accelerate economic transformation. RIEDC has completed a comprehensive review of its activities and aligned its efforts to the vision, goals and strategies of this Economic Growth Plan.

RIEDC's 2008 Economic Growth Plan consists of six strategies for providing higher wage job opportunities to all Rhode Islanders:

- \*Increase the number of high-wage jobs in target sectors.
- \*Increase the availability of growth capital to R.I. businesses.
- \*Increase the availability of office and commercial space.
- \*Increase the skills and experience of the R.I. workforce.
- \*Increase research activity and new company creation.
- \*Decrease the tax and regulatory burden facing R.I. businesses.

Top priority activities have included new programs to increase the availability of growth capital to businesses, a regional attraction campaign to promote new company relocation and expansion, a partnership to leverage property made available through the I-195 relocation, improvements to the state's expedited permitting program, two programs that strengthen the state's workforce development platform, an effort to increase the state's research and development capacity and stimulate more new company creation and a program to reduce the regulatory burden faced by the state's small businesses.

As part of the state's focus on its technology resources, the R.I. Science and Technology Advisory Council's (STAC) Research Alliance program announced an additional \$1.4 million investment in order to promote collaboration across the state's academic and commercial institutions. The funding has provided support for projects such as the development of high-tech toys to aid children with cerebral palsy and new marine-based drugs to fight infection.

During the past year, R.I. saw significant expansion and relocation activity, including:

Pentair Electronic Packaging, will be relocating several manufacturing product lines from California to the company's Warwick facility.

CVS Caremark announced a \$30 million expansion project building two new 150,000 s/f office

facilities in Cumberland.

Neurotech Pharmaceuticals opened a 27,000 s/f GMP manufacturing facility in Cumberland.

Concordia Medical opened its new 24,575 s/f medical manufacturing facility in Warwick.

InQuest Technologies, the developer of IQ9, relocated its headquarters from Mass. to Providence.

Kelly Space & Technology, Inc., a Calif.-based established an East Coast operation in R.I. because of its marine and defense industries.

In 2008, R.I. also fared well in a number of national rankings looking at economic development initiatives, R&D capacity, and overall competitiveness.

\*Cited as a top performer in the 2008 State New Economy Index, a report published by the Ewing Marion Kauffman Foundation and the Information Technology and Innovation Foundation (ITIF), and ranked R.I. 11th in the nation in a state-by-state analysis of how state economies are transitioning to economic development strategies that focus on the creation and retention of high-wage jobs in growth industries.

\*R.I. ranked 5th overall in technology according to the Beacon Hill Institute (BHI) at Suffolk University's "State Competitiveness Report 2008." R.I. placed 3<sup>rd</sup> in both NIH support and the number of science and engineering degrees awarded.

\*The KPMG network's Competitive Alternative 2008 Special Report rated Providence as having a low business cost, when compared to neighboring cities Boston and Hartford. R.I. also ranked 5th in this study among states and regions worldwide for research and development expenditures.

\*The Business Facilities Rankings Report, an annual look at the top-ranked localities in the U.S., gave R.I. high marks for education climate and for being a "green" state. R.I.'s education climate was ranked 8th in the U.S.

\*The American Electronics Association's 2008 Cybercities report ranked the Providence-Fall River-New Bedford area as one of the nation's top cities in several areas measuring the technology industry.

The state plans to build off its successes in 2008 as it moves into 2009, and the RIEDC will be issuing its 2009 Economic Growth Plan in mid-January.

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