

# **CAROLINAS CONCRETE PIPE AND PRODUCTS ASSOCIATION**



**Concrete Pipe Industry Explores Its  
Economic Position in the Two Carolinas**



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in the Two Carolinas

This Report was prepared for the  
Carolinas Concrete Pipe & Products Association

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## Concrete Pipe Industry Explores Its Economic Position In the Two Carolinas

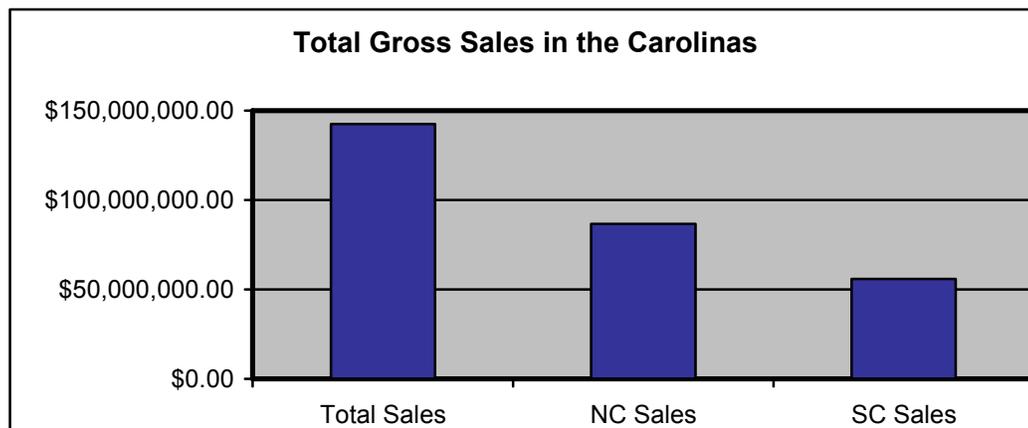
The concrete pipe industry and the American Concrete Pipe Association (founded 1907) have served transportation, infrastructure and construction by delivering time-tested, efficient, reliable, long-lasting and value-products throughout the country and the world for more than a century.

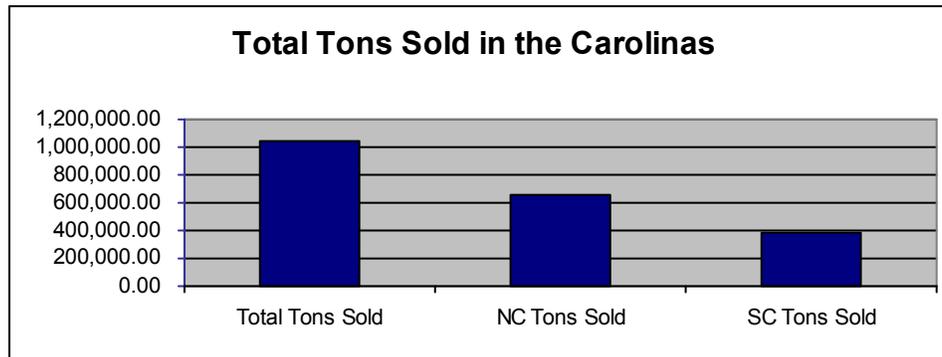
In fact, cement is the earth's premiere construction element. The concrete pipe industry has taken cement and improved the product and its qualities to meet the twenty-first century's needs. Other products attempting to replace reinforced concrete pipe have come and gone, but they find it hard to beat the basic structural fundamentals and service life of the concrete pipe.

Steel reinforced concrete pipe has a design life of 100 years and has the longest proven service life and best value.

The Carolinas Concrete Pipe and Products Association (CCPPA, founded 1964) commissioned a review of a number of economic factors to evaluate the industry's impact on the North Carolina and South Carolina economies and to see where companies spend their money and how those funds return to the two states' economies.

There are currently over 400 concrete pipe plants operating in the United States and Canada with 18 concrete pipe plants operating in North Carolina and South Carolina, which produced over a million tons of pipe for \$142.52 million in gross sales in 2004 – 2006. Assuming the revenue from sales creates three times that income as it goes back into the economy, the maximum value to the Carolinas' economy from the concrete pipe companies escalates to almost a half-billion dollars.





Concrete pipe companies employed 687 employees in the two Carolinas during the period. These employees are local; they live in communities in North Carolina and South Carolina. They buy household goods, food, clothes from local merchants and pay state and local taxes. Furthermore, if each employee equates to five employees from suppliers, then the pipe companies were responsible for 3,435 jobs in the economy.

The concrete pipe industry is an integral part of construction throughout North Carolina and South Carolina. Concrete pipe products are used in a variety of state transportation, private development, storm drainage, sanitary sewer and other related public work projects.

This report consists of primary data from 2004 – 2006 collected from five of the eight member companies of the Carolinas Concrete Pipe and Products Association. Secondary information was provided by the South Carolina Department of Transportation, the Carolinas Association of General Contractors, the South Carolina Department of Revenue, the South Carolina Department of Commerce, which provided information for both Carolinas, and the North Carolina Department of Transportation.

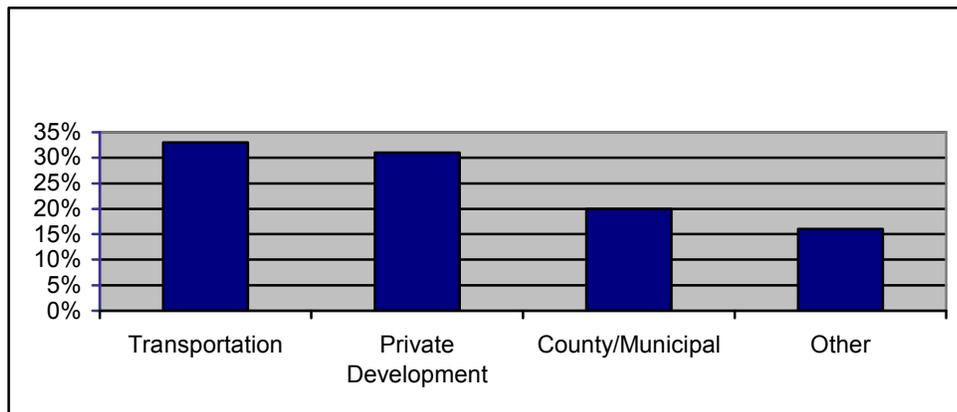
The report compares a number of economic and company factors to give the concrete pipe companies as well as government officials, civic leaders and the public an indication of concrete pipe products, status in the regional economy.

Information gathers from CCPPA members and other sources:

## North Carolina Information

- North Carolina's gross sales were \$86.66 million and 655,500 tons of pipe.
- The \$86.66 million generated approximately \$259.98 million to the state's economy.
- North Carolina operations had 477 employees.
- North Carolina plant's employee cost per ton is \$29.41.
- Of the \$86.66 million of North Carolina's gross sales, \$19.284 million was paid in salaries, employee taxes and benefits. A good portion of this employee expense was put back into North Carolina's economy and state taxes through state income taxes.
- Transportation costs during the period for North Carolina were \$12.256 million.

- The estimated number of truckloads of concrete pipe for North Carolina is 28,500.
- North Carolina plants purchased 642,390 tons of raw materials to produce pipes during this period.
- Percentages of gross revenue from private development, transportation, county / municipal and other sources are:
  - 33% gross revenue come from transportation work from North Carolina companies (\$28.61 million).
  - 31% gross revenue came from private development from North Carolina companies (\$27.23 million).
  - 20% gross revenue came from other projects in North Carolina (\$16.79 million).
  - 16% gross revenue came from county / municipal work from North Carolina companies (\$17.029 million).



- The results of tons of North Carolina production that went to transportation, private development, county / municipal and other projects are:
  - 239,960 tons of North Carolina production went to private development.
  - 220,950 tons of North Carolina production went to transportation.
  - 103, 560 tons of North Carolina production went to county / municipal work.
  - 90,760 tons of North Carolina production went to other sources.

### North Carolina CCPPA Data compared to Carolinas AGC Data

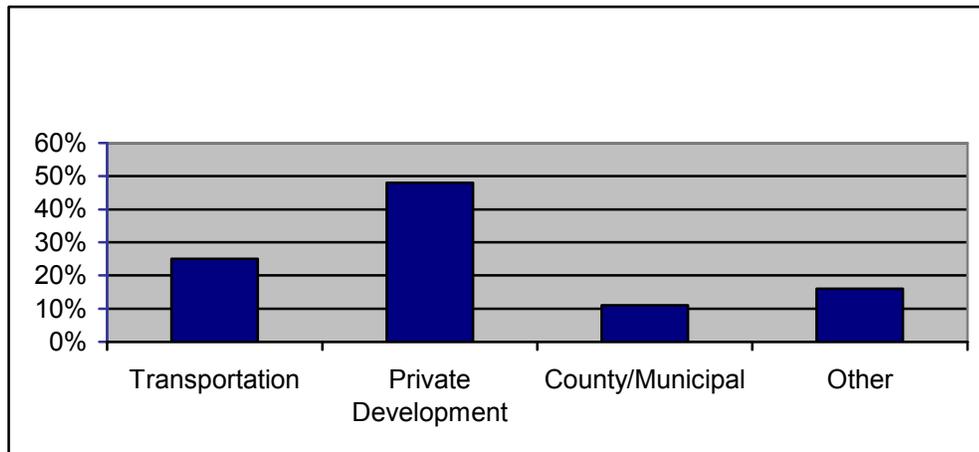
- 8% revenue of CAGC's reported revenue came from CCPPA for transportation.

### North Carolina CCPPA Data compared to information provided by South Carolina Department of Commerce.

- 1% revenue attributed to non-building construction from North Carolina companies.

# South Carolina Information

- South Carolina's plants had gross sales of \$55.86 million on 390,500 tons of pipe.
- The \$55.86 million generated approximately \$167.58 million to the state's economy.
- South Carolina operations employed 210 people.
- Employee cost per ton for South Carolina operations was \$29.06.
- Of the \$768.6 million in labor income in South Carolina, the concrete pipe companies contributed approximately \$11.344 million. Of this total, a good portion of this employee expense was put back into South Carolina's economy and revenue base through state income taxes.
- Transportation operating costs during the 2004 – 2006 period for South Carolina were \$7.061 million.
- The estimated number of truckloads of concrete pipe for South Carolina is 14,370.
- South Carolina firms purchased 382,690 tons of raw materials to produce concrete pipes during this period.
- Percentages of gross revenue from private development, transportation, county / municipal and other sources are:
  - 48% gross revenue come from private development work from South Carolina companies (\$27.153 million).
  - 25% gross revenue came from transportation work from South Carolina companies (\$16.264 million).
  - 16% gross revenue came from other sources in South Carolina (\$6.386 million).
  - 11% gross revenue came from county / municipal work from South Carolina companies (\$6.057 million).



- South Carolina production in tons that went to transportation, private development, county / municipal and other projects are:
  - 209,060 tons of South Carolina production went to private development.
  - 127,425 tons of South Carolina production went to transportation.
  - 42, 220 tons of South Carolina production went to county / municipal work.
  - 11,795 tons of South Carolina production went to other sources.

- SCDOT purchased 12,597 linear feet of reinforced concrete pipe for maintenance projects.

## South Carolina CCPPA Data compared to Carolinas AGC Data

- 4% revenue of CAGC's reported revenue came from CCPPA for transportation.

## South Carolina CCPPA Data compared to information provided by South Carolina Department of Revenue

- 1.5% revenue attributed to highway and street construction came from CCPPA projects.

## South Carolina CCPPA Data compared to information provided by South Carolina Department of Commerce.

- 1% revenue attributed to non-building construction came from CCPPA's South Carolina companies.

### Conclusion:

The concrete pipe industry is indeed a necessary and needed contributor to the construction industry and the economies of the two states, while supplying viable products to private developers, the transportation interests as well as counties and municipalities. It employs almost 600 in North and South Carolina. Gross sales for the two-state area are estimated at \$142.52 million with 1.056 million tons of pipe sold in the two states.

Since these companies get their raw material from local providers, buy gasoline from vendors, use local utilities to supply energy and purchase many other products and services from their own communities, the concrete pipe companies add considerably to the two states' economies.

These concrete pipes are made at 18 plants in the Carolinas that employ local personnel from their communities. The companies and their employees are contributing citizens whose needs are met by local providers.

Although these firms are only about one percent of the construction industry's overall capacity, concrete pipes are integral to many construction projects. The concrete pipe companies must be price and quality competitive, which they have been for more than a century, while supporting the local workforce and the local economies.

The concrete pipe industry provides valuable, reliable and tested products to various industries in both states.

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# Carolinas Concrete Pipe and Products Association Members

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The report draws certain conclusions to give a two-state perspective, even though not all firms participated in the survey. Assumptions based upon number of plants per company were made in order to provide a complete picture. Although the companies, and their plants, may have or have not been as efficient as those reporting, the assumption was that they were similar enough to make this information useful. These same assumptions were made on concrete pipe companies that are not CCPPA members.