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United States

Optimism in Mobile, Alabama

Let's have a party

Jul 30th 2009 | MOBILE

From *The Economist* print edition

A city that looks beyond the recession



IN JUNE a delegation of officials from Alabama packed their bags for the Paris Air Show. Along with officials from Mississippi and Florida they held a reception in the Eiffel Tower and enjoyed a cruise on the Seine. They appeared to be having a very good time, reported someone from Washington state, which is nervously eyeing Alabama's growing aerospace industry.

How, in these bad times, can Alabama or Mobile, its most charming city, be so jolly? In June the state's unemployment rate hit 10.1%, more than double what it was a year ago. And things will get worse before they get better: a new survey from the University of Alabama says that business

leaders expect the state's economy to go on shrinking in the third quarter.

Nevertheless, people in Alabama, particularly in the south-west corner that includes Mobile, are refusing to be daunted. And their confidence is not misplaced. In recent years both city and state have been on a blitz of economic development. Most Alabamans trace the change back to 1993, when the state managed to land a Mercedes plant. This was a \$300m investment that gave Alabama a big credibility boost. Honda and Hyundai plants followed and the state now has over 300 car-related companies. In 2006 Alabama won a Golden Shovel award from *Area Development* magazine, and this June it got a silver.

Mobile has had its own successes. Austal, an Australian shipbuilder, came to the city in 1999 and has been expanding. The port recently opened a new container terminal. ThyssenKrupp is building a large steel plant that will bring 2,700 jobs to the region next year. Boeing, Alabama's aerospace giant, is based in Huntsville but is spreading to the south of the state.

At the same time the city is smartening up. Ten years ago, says Win Hallett, the head of its Chamber of Commerce, the centre of Mobile was so ragged that he worried about visitors being frightened away by the hotels. In 2001 the schools superintendent gave out a dire warning: unless voters approved a property tax rise, he would have to cut the football programmes. The rise went ahead.

All this has given Mobilians their sunny outlook, despite the current economic woe. Last year Moody's Economy.com ranked Mobile County first among America's 363 metropolitan areas for projected economic growth between 2007 and 2012. In June *Forbes* included Mobile (and Huntsville) in its list of the ten cities best placed for recovery.

Mobile and Havana became sister cities in 1993 and, so far as they can, have kept up their ties ever since. There is a long relationship between southern Alabama and Cuba which, several hundred years ago, were trawled by the same cast of French and Spanish explorers. In the 19th century Mobilian doctors helped their Cuban peers fight yellow fever by destroying mosquitoes and a Cuban student who studied in

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Area Development magazine released news of Alabama's Silver Shovel award. See also the Mobile Area Chamber of Commerce.

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