



ECONOMIC DEVELOPMENT  
PARTNERSHIP OF NORTH CAROLINA

2016

# NORTH CAROLINA AUTOMOTIVE INDUSTRY

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OUR HOME IS YOUR HOME FOR BUSINESS

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[www.edpnc.com](http://www.edpnc.com)

15000 Weston Parkway, Cary, NC 27513  
Tel. 919 447 7777  
Fax. 919 447 7780



Nothing Compares  
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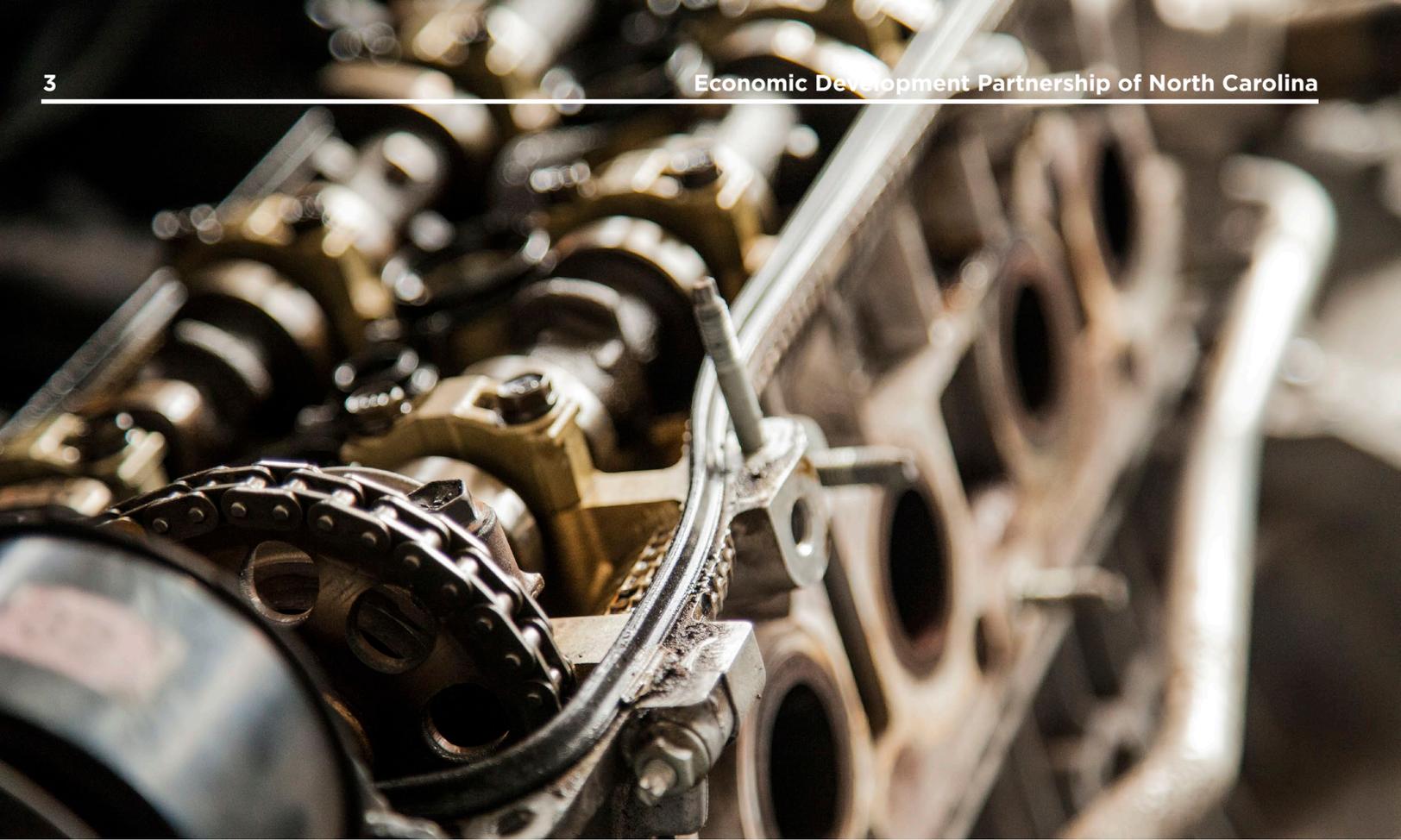
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## INVEST IN NORTH CAROLINA

From the birth of stock car racing to the development of electric vehicle technology, North Carolina has a passion for all things automotive. Companies in the automotive industry choose North Carolina for its winning combination of location, workforce, existing industry strength, and business-friendly environment. The state boasts the fastest-growing large economy in the U.S. and consistently ranks among the top five in internationally recognized business environment rankings.

North Carolina's population grew 22% from 2001 to 2015. The state, with more than 10 million residents, has become the ninth-largest state in the U.S. North Carolina's low cost of living and highly skilled workforce further contribute to its favorable business environment. Advantages of doing business in North Carolina include:

- **Convenient market access**
- **Business-friendly environment**
- **Skilled labor force**
- **Top-ranked industry support**
- **Exceptional quality of life**

Consider **North Carolina** for your next trade or investment decision, and find out why **Nothing Compares.**

“

Our **new home** affords access to a **qualified and productive workforce**, a strong existing presence of **automotive component manufacturers** in plastics and metals, and **easy access to our customers.**

**Tobias Holderried,**  
*Managing Director, Demmel AG  
Henderson County, North Carolina*

# NORTH CAROLINA'S AUTOMOTIVE ADVANTAGE

Automotive companies thrive in North Carolina. Both industry giants and smaller, niche manufacturers have enjoyed significant growth in the state. North Carolina's diverse automotive cluster includes operations such as heavy duty truck manufacturing, body & trailer manufacturing, engine & transmission manufacturing, seating & interior trim manufacturing, and brake system manufacturing.



## 290 Establishments

make up the automotive manufacturing cluster in North Carolina.



## 26,000 Employees

work in North Carolina's automotive manufacturing cluster.



## 24% Growth

in the automotive manufacturing sector from 2011 to 2015.



## 34 Top Suppliers

34 of the top 150 automotive parts manufacturers in North America have significant operations in North Carolina.

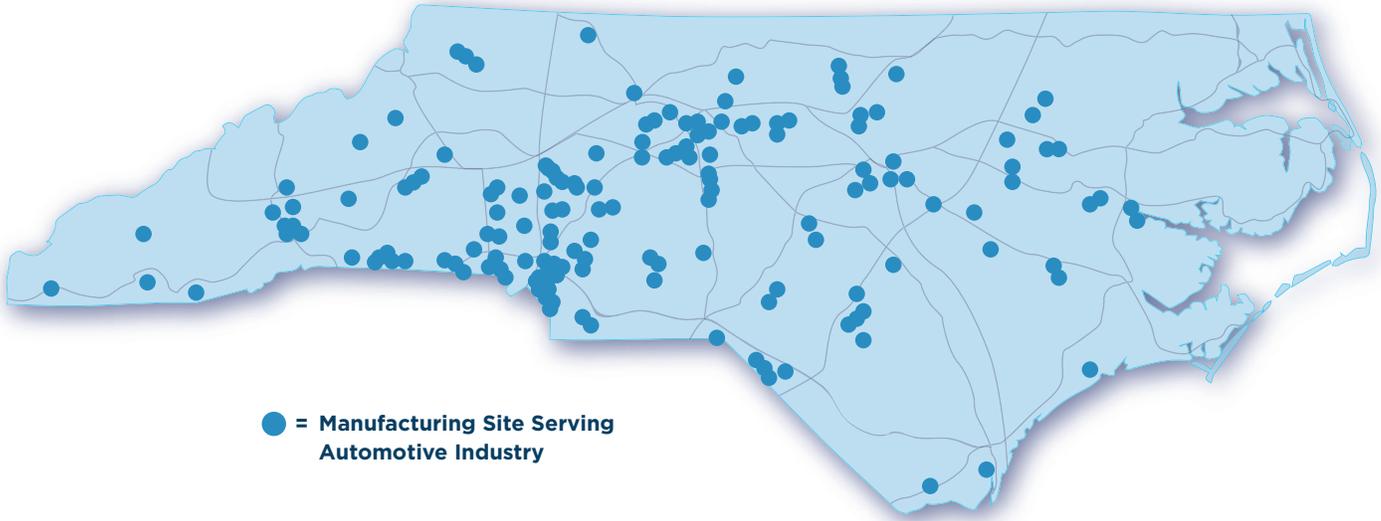
## Manufacturing Labor Supply

Nearly 4.9 million people make up North Carolina's growing labor force. In the last 10 years, the state's labor force has grown 8% and shows no signs of slowing. As a result, North Carolina's skilled workforce supports the state's automotive industry growth.

\* The total workforce pipeline includes workers whose current jobs are at least 95% compatible with the listed job description in terms of knowledge, skills, and abilities.

Job Description	2015 Jobs	Job Growth (2011-2015)	2015 Total Workforce Pipeline*
Miscellaneous Assemblers and Fabricators	52,004	15%	256,029
Machinists	11,880	16%	141,638
Welding, Soldering, and Brazing Workers	10,278	15%	118,658
Electrical, Electronics, and Electromechanical Assemblers	10,021	7%	152,068

## North Carolina's Automotive Cluster



DAIMLER

 **BorgWarner**

**MAGNETI  
MARELLI**

**DENSO**

**Continental** 



  
GKN Driveline

  
MANN+  
HUMMEL

 **LINAMAR**  
Power to Perform

  
Thomas  
BUILT BUSES

**EATON**

  
CooperStandard

  
MGM Brakes  
A Division of Indian Head Industries, Inc.

  
CAMCO

  
TAKATA

  
DEVANT  
SPORT TOWELS

  
KEE Since 1968  
Auto Top  
Manufacturing Co.

  
Continental  
Structural Plastics

  
MERITOR

  
NGK

GENERAL DYNAMICS



  
KETCHIE

  
Brennan  
Atkinson  
International



# UNMATCHED BUSINESS ENVIRONMENT

#1

**Top Competitive State**

- Site Selection (2015 Prosperity Cup)

#2

**Best State for Business**

- Forbes (2015)

#3

**Lowest State & Local Business Tax Burden in the U.S.**

- Ernst & Young (2015)

#4

**Best Labor Climate**

- Area Development (2015)

## Highly Skilled Workforce

North Carolina's **53 colleges & universities** and **nationally recognized, 58-campus community college system** produce a highly skilled workforce.

- **108,800 degrees awarded** from North Carolina colleges & universities in 2014
- **460,000 manufacturing employees**
- **8% workforce growth** since 2007

## Low Unionization

At **3%**, North Carolina has the **second lowest unionization rate** in the United States.

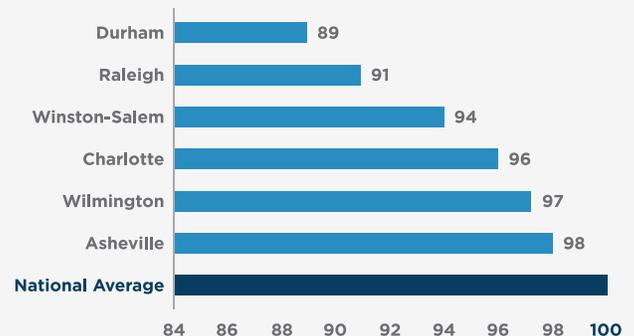
## Low Electricity Costs

North Carolina's electricity costs run nearly **9% below the national average**.

Source: U.S. Energy Information Administration

## Low Cost of Living

The cost of living in many of North Carolina's metropolitan areas is **well below the national average**.



Index (100 = National Average)

Source: Council for Community and Economic Research

## Taxes

### Corporate Income Tax

# 4.0%

The rate will reduce to 3.0% in 2017 or any subsequent year when general fund revenue targets are met. North Carolina has begun to phase in single sales factor apportionment.

### Personal Income Tax

# 5.75%

The rate will drop to 5.499% in 2017 (flat rate).

The standard deduction is \$16,500 for married couples, \$13,200 for heads of household, and \$8,250 for single taxpayers.

### Sales & Use Tax

# 6.75% - 7.50%

The statewide sales tax is 4.75%. Counties levy an additional 2-2.75%. Aviation gasoline and jet fuel are exempt. North Carolina also has exemptions for manufacturing companies.

### Property Tax

**The state does not levy property tax.**

Real and personal property is taxed by local governments.

North Carolina has exemptions for inventories and recycling.

## Incentives

Targeted, performance-based incentive programs complement North Carolina's competitive business cost structure. The Economic Development Partnership of North Carolina helps companies navigate the incentive process.

### Job Development Investment Grant (JDIG)

JDIG is a performance-based, discretionary incentive program that provides cash grants to new and expanding businesses to help offset the cost of locating or expanding a business facility in North Carolina. Companies can qualify for a JDIG based on the project location, number of jobs, and average wage. The grant amount is based on a percentage of the personal income tax withholdings associated with the new jobs. For high-yield projects that invest \$500+ million and create 1,750+ jobs, JDIG can provide a grant worth up to 100% of personal income tax withholdings for 20 years. A company can use JDIG funds for any purpose.

### One North Carolina Fund (One NC)

One NC is a discretionary cash-grant program that allows the Governor to respond quickly to competitive job-creation projects. The local government must provide an incentive to match the One NC funding. Awards are based on the number of jobs created, level of investment, location of the project, economic impact of the project, and the importance of the project to the state and region. Awards may be used for installation or purchase of equipment, structural repairs and renovations, and construction or improvements to utility lines and associated equipment in new or existing buildings.

### Public Infrastructure & Transportation Programs

North Carolina offers a number of different programs to fund public infrastructure development, including:

- Community Development Block Grant Economic Development Program
- Utility Account
- Rural Division's Economic Infrastructure Program
- NC Department of Transportation's Rail Industrial Access Program
- NC Department of Commerce & NC Department of Transportation's Joint Economic Development Program

### Building Reuse Programs

North Carolina offers two different programs that provide grants to renovate and upfit vacant industrial and commercial buildings including:

- Community Development Block Grant Building Reuse Program
- Rural Division's Building Reuse Program

### Other Incentive Programs

- NCWorks Customized Training Program
- Foreign Trade Zones
- Golden LEAF Foundation Grants

# SKILLED WORKFORCE & INDUSTRY SUPPORT

North Carolina offers one of the nation's most renowned education systems, supplying companies a pipeline of skilled workers and access to research & development resources.



## Universities

Undergraduate and  
Advanced Graduate  
Degrees

*Elite higher education institutions across the state support North Carolina's workforce.*

North Carolina has 53 colleges and universities. From Appalachian State University in the West to East Carolina University near the coast, The publicly funded University of North Carolina System draws students from all over the world to its 17 campuses. The state's three Tier 1 research universities: North Carolina State University, Duke University, and the University of North Carolina at Chapel Hill, are at the cutting edge of education and R&D. In 2014, North Carolina's universities conferred 3,500 advanced engineering degrees.



## Community Colleges

Vocational Degrees

*Pioneering the nation's most advanced programs in vocational and technical education.*

The North Carolina Community College System (NCCCS) is widely regarded as offering some of the most comprehensive and advanced vocational and technical programs in the U.S., including advanced manufacturing and automotive tracks. More than 800,000 students enroll at one of NCCCS's 58 campuses each year. In fact, every North Carolina resident lives within a 30-minute drive of a community college, making high quality education accessible to the state's growing workforce.



## NCWorks

Customized Training  
Programs

*Providing customized training and recruiting services for North Carolina businesses.*

The North Carolina Community College System (NCCCS) and North Carolina's Department of Commerce developed NCWorks, a free, customized job training and recruiting program for new and expanding businesses. NCWorks offers comprehensive training via NCCCS's extensive catalog of established programs as well as customized curricula tailored to address specific needs. In fact, NCWorks has trained nearly 37,000 employees for 861 companies across the state. Ninety-two percent of the companies served are advanced manufacturers.



## Industry Support

- **North Carolina Advanced Manufacturing Alliance (NCAMA)** — NCAMA works with North Carolina community colleges to build and expand innovative programs that provide workers with the skills and credentials they need to excel in North Carolina's advanced manufacturing economy. NCAMA works to accelerate job training, build programs to meet industry needs, and bolster online learning.
- **North Carolina Center for Automotive Research (NCCAR)** — NCCAR assists the automotive industry with product research, testing, and development. The organization's facilities include: a two-mile bidirectional road course, a two-acre vehicle dynamics area, and a seven-acre dirt facility.
- **NC Motorsports and Automotive Research Center (NCMARC)** — NCMARC at the University of North Carolina-Charlotte specializes in vehicle dynamics, aerodynamics, instrumentation, safety, and metrology, and has developed more than \$2.25 million in external research related to these technologies.
- **Advanced Transportation Energy Center (ATEC)** — The ATEC Center at North Carolina State University partners with electric vehicle (EV) and related component manufacturers to solve technology challenges associated with batteries, charging units, and vehicles.
- **Polymers Center of Excellence** — The Polymers Center of Excellence works in the plastics industry to increase knowledge, provide technical support, and assist in the development of emerging technologies.

## 4.9 Million Workers

4.9 million workers make up North Carolina's growing labor force.

## 460,000+ Manufacturing Employees

With 460,000+ employees, North Carolina has the largest manufacturing workforce in the Southeastern U.S.

## 37,000+ Engineers

More than 37,000 engineers work in North Carolina.

## #2 STEM

North Carolina colleges & universities confer 20,500+ Science, Technology, Engineering, and Math degrees and certificates annually, the second highest number of STEM completions in the Southeastern U.S.

## 4<sup>th</sup> Largest Military Population

NC military installations expect 78,000 personnel with in-demand manufacturing skills to re-enter the civilian workforce through 2018.

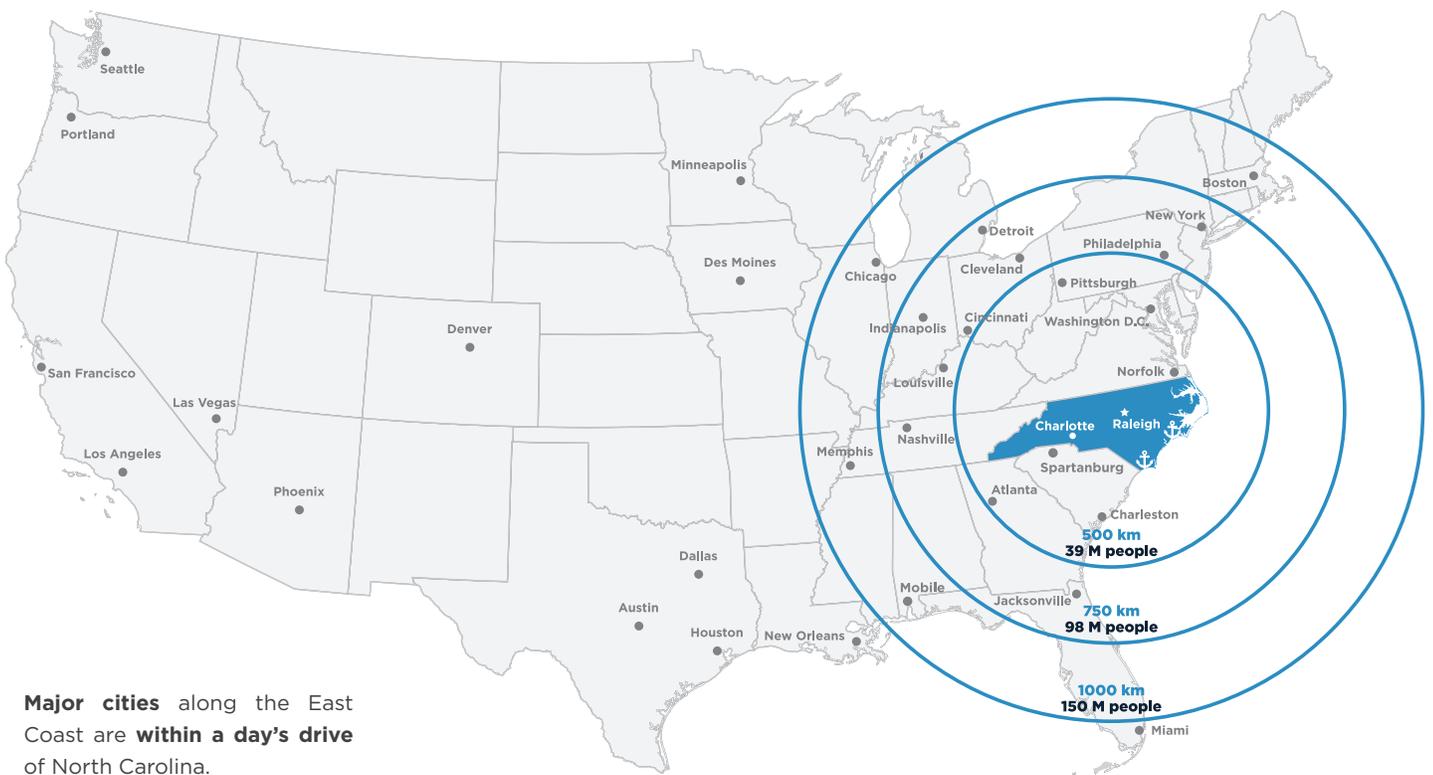
# MARKET ACCESS & TRANSPORTATION INFRASTRUCTURE

North Carolina's robust transportation infrastructure connects companies to domestic and international markets. Four international and eleven regional airports connect North Carolina to major cities in the U.S. and abroad. North Carolina also has the second largest state-owned highway system and major controlled-access

arteries such as I-95 (running the length of the East Coast), I-85, and I-40 (running from NC to California). Two deepwater seaports and an integrated rail system ensure that North Carolina companies stay connected to suppliers and customers.

North Carolina was chosen for the **location**, for the **utility and transportation advantages**, and the state contains an exceptional workforce. In addition, we can service our customer base quicker and provide more **cost-effective transportation**.

Gerardo Muraira,  
Operations Director, Nutec Group





## PORTS

### North Carolina has two deepwater seaports:

North Carolina's ports offer fast turn times and capacity for ships carrying up to 7,000 TEUs (soon to be 10,000 TEUs). Inland terminals in Charlotte and Greensboro provide easy market access.

#### Port of Wilmington

- General cargo and bulk handling facility
- Inside harbor channel depth of 42 feet M.L.L.W.
- 101,000-square-foot on-terminal cold storage facility

#### Port of Morehead City

- Container and general cargo operations
- Inside-harbor channel depth of 45 feet M.L.L.W.



## ROADS

### Second-largest state-owned highway system:

North Carolina's roads stretch for more than 90,000 miles (145,000 km). The state's central East Coast location offers easy access to the country's most important transportation corridors.

#### Major controlled-access arteries include:

- I-95, running the length of the East Coast
- I-40, linking North Carolina to California
- I-85, stretching through the manufacturing heart of the Southeast



## AIR

### The world's sixth-busiest airport is located in Charlotte:

North Carolina offers nonstop service and easy connections to major domestic and international destinations.

### Four international and 11 regional airports provide easy access to domestic and global markets. International airports include:

- Charlotte-Douglas International Airport (CLT)
- Piedmont Triad International Airport (GSO)
- Raleigh-Durham International Airport (RDU)
- Wilmington International Airport (ILM)



## RAIL

### Largest consolidated rail system in the country:

North Carolina's rail connections extend to key markets in the South, East, Midwest, and Canada.

#### Rail system highlights include:

- More than 3,200 miles (5,100 km) of track
- Two Class 1 carriers: CSX Transportation and Norfolk Southern
- Class 1 service to 22 states in the U.S.
- 19 short-line railroads
- Six intermodal terminals and rail hubs

