

# PICK UP SPEED.

## NORTH CAROLINA'S AUTOMOTIVE INDUSTRY

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# PICK UP SPEED.

Largest manufacturing workforce in the Southeast. Lowest corporate income tax in the nation. Two deepwater seaports. North Carolina is where businesses pick up speed. From the birth of stock car racing to the development of electric vehicle technology, North Carolina has a passion for all things automotive. Dozens of top automotive companies operate in North Carolina, including Linamar, Continental, Bridgestone, and NASCAR.

Automotive companies choose North Carolina for its winning combination of location, workforce, existing industry strength, and business-friendly environment. The state, with more than 10 million residents, is the 9th largest state in the nation, growing 25% from 2001 to 2017. Our state consistently ranks among the top five in internationally-recognized business environment rankings. Customized training programs and top-tier university partnerships support the industry's continued success. Join the momentum. Consider North Carolina for your next location decision.

## INDUSTRY LEADERS



## NORTH CAROLINA'S AUTOMOTIVE ADVANTAGE

Automotive companies thrive in North Carolina. The state's mid-Atlantic location and extensive transportation network provide access to key customers and suppliers.

### 33

#### TOP SUPPLIERS

33 of the top 100 global OEM automotive parts suppliers in North America have operations in North Carolina. The state's robust supplier network is one reason why leading automobile companies locate here.

### 31%

#### GROWTH

Backed by an expanding cluster of automobile companies, growth in the sector has surged since 2010. With the largest manufacturing workforce in the region, it's easy to find the skilled workers your company needs.

### 230+

#### AUTOMOTIVE COMPANIES

North Carolina is home to over 230 unique automotive companies, including heavy duty truck, body & trailer, engine & transmission, seating & interior trim, and brake system manufacturing.

### 27,500+

#### EMPLOYEES

More than 27,500 people work directly in North Carolina's auto sector. Beyond direct employment, hundreds of thousands of North Carolinians work in occupations that have transferable skill-sets for the industry.



Racing roots run deep in North Carolina. Home to the Charlotte Motor Speedway and NASCAR Hall of Fame, our state hosts the prestigious Coca-Cola 600 and NASCAR All-Star Race. UNC Charlotte has one of the best motorsports engineering programs in the nation, supplying a pipeline of skilled workers.



Continental, one of the top five global automotive suppliers, produces advanced brake systems in North Carolina. Over the past five years, the company has announced more than \$70 million in investment and 200 new jobs across the state.

# PLENTIFUL AND SKILLED WORKFORCE

## 4,900,000

### LABOR FORCE

Largely fueled by domestic in-migration, North Carolina has one of the fastest growing populations in the U.S. Since 2010, over 370,000 people have moved to North Carolina.

## 464,000+

### MANUFACTURING EMPLOYEES

North Carolina has the largest manufacturing workforce in the Southeastern U.S. In the last 5 years, the state's manufacturing workforce has grown by 5% and is projected to continue growing.

## #2

### STEM

North Carolina is home to more than 22,500 Science, Technology, Engineering, and Math grads annually, ranking second for STEM grads in the Southeastern U.S.

## 40,000+

### ENGINEERS

North Carolina's engineering workforce has grown 9% over the past five years, more than twice the U.S. average.

## LABOR SUPPLY FOR TOP AUTOMOTIVE OCCUPATIONS

North Carolina offers automotive companies an abundant and affordable supply of labor. NC's automotive industry wages are **about 8% below the national average**.

OCCUPATION	NC 2017 JOBS	NC JOB GROWTH (2013 - 2017)	NC AVG. ANNUAL EARNINGS	US AVG. ANNUAL EARNINGS
ASSEMBLERS AND FABRICATORS	63,308	10%	\$30,368	\$33,592
PRODUCTION WORKERS	99,668	6%	\$33,550	\$34,964
SUPERVISORS OF PRODUCTION WORKERS	20,775	6%	\$58,531	\$61,464
MACHINISTS	10,611	10%	\$39,956	\$43,243
WELDING, SOLDERING AND BRAZING WORKERS	9,000	7%	\$40,164	\$42,473
ENGINEERS (INDUSTRIAL AND MECHANICAL)	15,410	10%	\$86,008	\$89,294

# THE PERFECT CLIMATE FOR GROWING TALENT

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

## UNIVERSITIES UNDERGRADUATE AND GRADUATE DEGREES

North Carolina has 53 colleges and universities. 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 2017, North Carolina's universities conferred over 4,300 advanced engineering degrees.

## COMMUNITY COLLEGES VOCATIONAL DEGREES

The North Carolina Community College System (NCCCS) is the nation's third-largest community college system, pioneering the nation's most advanced vocational and technical programs, including advanced manufacturing and automotive tracks. More than 800,000 students enroll at one of NCCCS's 58 campuses each year. In 2017, North Carolina's community colleges conferred 1,739 automotive mechanics and engineering technology degrees & certificates, ranking among the top states in the nation for completions in these programs.



## NCWORKS

### CUSTOMIZED TRAINING PROGRAMS

NCWorks is a free, customized job training and recruiting program for new and expanding businesses. The program offers comprehensive training via our state's community colleges as well as customized curricula tailored to address the specific needs of the automotive industry. In 2017, NCWorks trained more than 36,000 employees from over 1,000 companies across the state. The majority of the companies served have been advanced manufacturers.

## INDUSTRY RESOURCES

### TARGETED INDUSTRY SUPPORT

North Carolina has numerous programs and research centers that support automotive businesses. Examples include:

- **The North Carolina Advanced Manufacturing Alliance (NCAMA)** works with North Carolina community colleges to build innovative programs that provide workers with the skills and credentials they need to excel in N.C.'s advanced manufacturing economy.
- **The North Carolina Center for Automotive Research (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.
- **The NC Motorsports and Automotive Research Center (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.
- **The Advanced Transportation Energy Center (ATEC)** 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** works in the plastics industry to increase knowledge, provide technical support, and assist in the development of emerging technologies.



Thomas Built Buses, America's largest school bus manufacturer, churns out 16,000 buses a year in High Point, North Carolina. Generations of North Carolina workers skilled in manufacturing have contributed to the company's success.

# UNMATCHED BUSINESS ENVIRONMENT

#1

## BEST STATE FOR BUSINESS

- Forbes (2018)

#1

## TOP COMPETITIVE STATE

- Site Selection (Prosperity Cup, 2018)

#3

## BEST STATE FOR BUSINESS

- Chief Executive (2018)

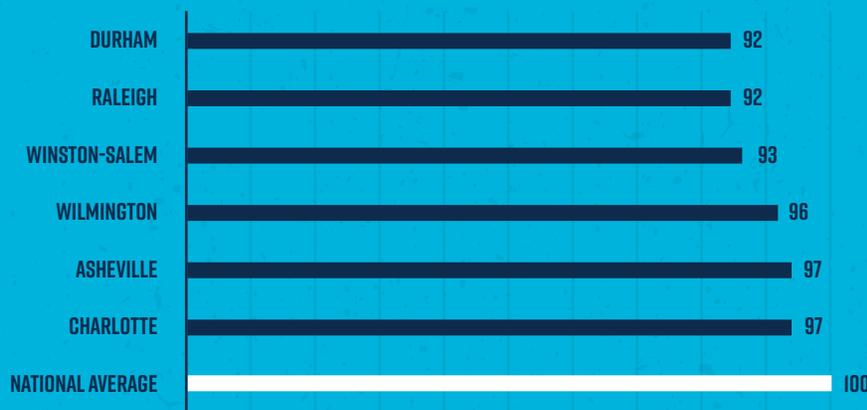
#2

## COMPETITIVE LABOR ENVIRONMENT

- Area Development (2018)

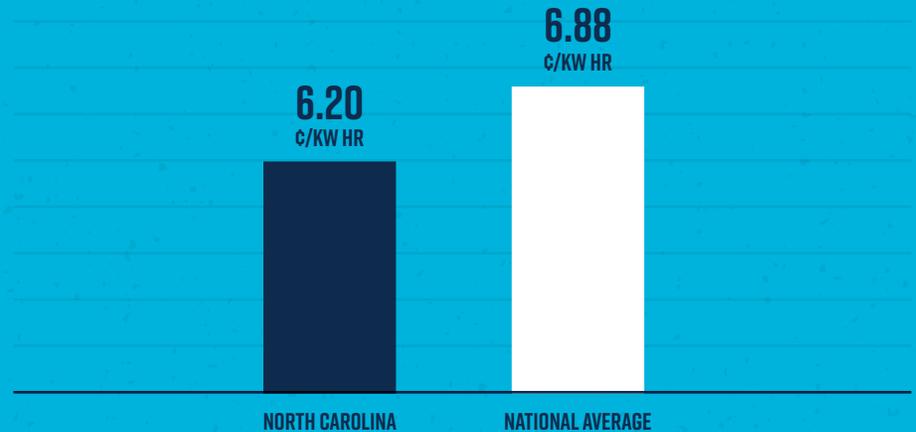
### LOW COST OF LIVING

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



### LOW ELECTRICITY COSTS

NC's industrial electricity costs are about 10% below the national average.



### LOW BUILDING COSTS

Average construction costs in North Carolina's metropolitan areas are up to 16% below the national average.

### UNPARALLELED INNOVATION

North Carolina businesses lead the nation in innovation with 70% patent growth over the past 10 years.

### RIGHT TO WORK STATE

North Carolina is one of 28 right to work states.

### AAA BOND RATING

North Carolina is one of only four states to earn Standard & Poor's highest rating for over 55 consecutive years.



**WE FOUND NORTH CAROLINA TO HAVE THE  
PERFECT COMBINATION OF A HIGH-QUALITY  
WORKFORCE AND CLOSE PROXIMITY TO A  
MAJOR INTERNATIONAL AIRPORT.**

**TETSUYA KUZE,  
VICE PRESIDENT OF YOKOHAMA CORPORATION OF NORTH AMERICA**



North Carolina metros are hotspots for innovation in advanced manufacturing and offer a high quality of life at low costs.

# GO BIG. SPEND LESS.

## 2.5%

### CORPORATE INCOME TAX

North Carolina has the lowest rate among the 44 states which levy this tax. NC uses single sales factor apportionment.

## 4.75%

### STATE SALES & USE TAX

Counties levy an additional 2-2.75%. Sales tax exemptions are available for manufacturers.

## 5.25%

### PERSONAL INCOME TAX

Standard deduction is \$10,000 for single tax payers, \$20,000 for married couples, and \$15,000 for head of households.

## NONE

### STATE PROPERTY TAX

There is no state-level property tax. Real and personal property taxes vary by local government. In 2018, N.C. had the 7th lowest commercial and 9th lowest industrial effective property tax rates in the U.S.

## INCENTIVES

Targeted, performance-based incentive programs complement North Carolina's competitive cost structure. The Economic Development Partnership of North Carolina (EDPNC) 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. 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 in new or existing buildings for installation or purchase of equipment, structural repairs and/or renovations, construction and/or improvements to utility lines.

### PUBLIC INFRASTRUCTURE & TRANSPORTATION PROGRAMS

North Carolina offers a number of different programs to fund public infrastructure development, including the Community Development Block Grant Economic Development Program, Utility Account, Rural Division's Economic Infrastructure Program, NCDOT's Rail Industrial Access Program, North Carolina Railroad Company's NCRR Invests program, and the NC Department of Commerce's Joint Economic Development Program with the NCDOT.

### 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
- NC Biotechnology Center Economic Development Award
- Recycling Business Development Award Grants
- Golden LEAF Foundation Grants
- Building Demolition Programs

# MARKET ACCESS & TRANSPORTATION INFRASTRUCTURE

North Carolina's robust transportation infrastructure connects companies to domestic and international markets. Ten airports offer commercial services, including four international airports that 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 can easily reach suppliers and customers.

## 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

## PORTS

### Two deepwater seaports in-state with on-dock rail

North Carolina's ports offer fast turn times and capacity for ships carrying up to 10,000 TEUs. Inland terminals in Charlotte and Greensboro provide easy market access. North Carolina companies also enjoy easy access to the Port of Norfolk and the Port of Charleston.

Port of Wilmington

- Container and general cargo operations
- Channel depth of 42 feet M.L.L.W.
- On-terminal cold storage facility and 1M sf of covered storage

Port of Morehead City

- General cargo and bulk handling facility
- Channel depth of 45 feet M.L.L.W.
- 1M sf of covered storage

## AIR

### The world's 7<sup>th</sup> busiest airport is located in Charlotte

Ten airports offer commercial services, including four international airports that provide easy access to global markets. International airports include:

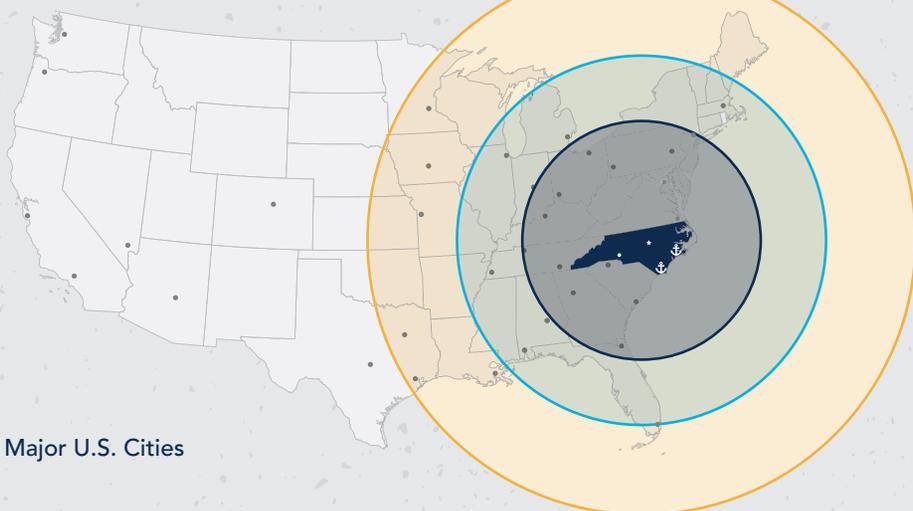
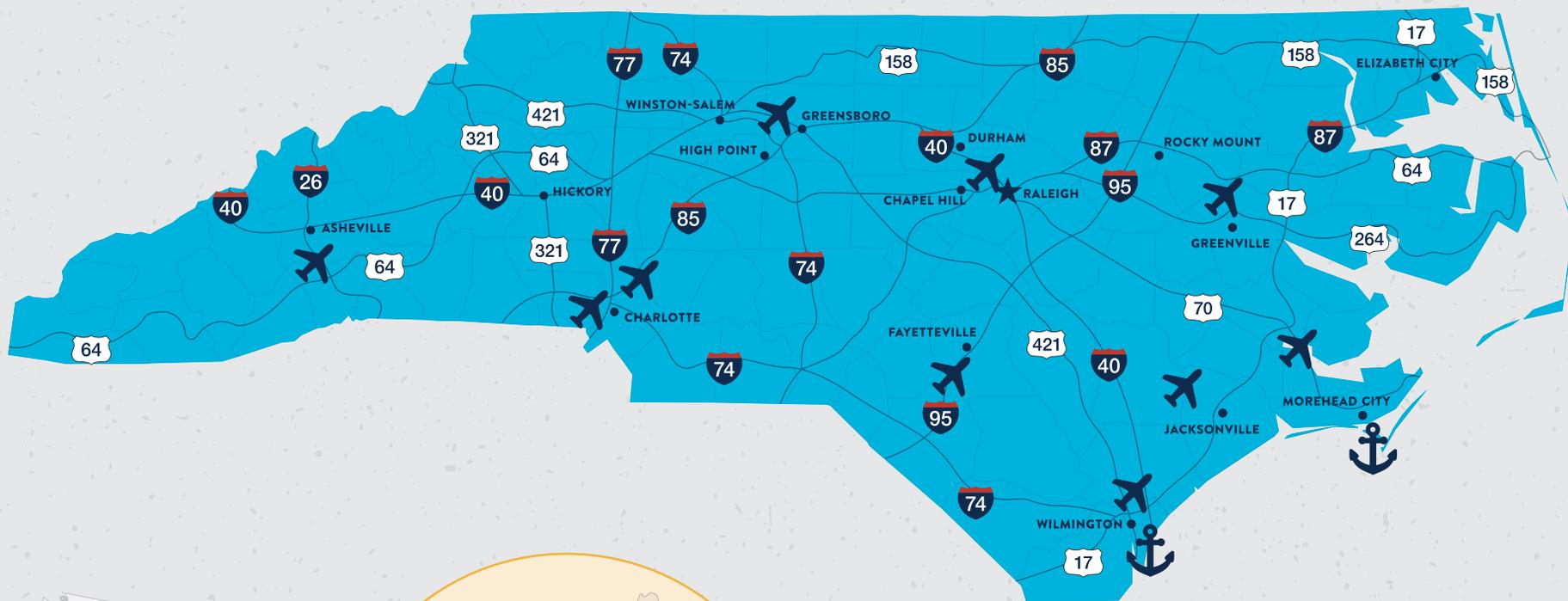
- Charlotte-Douglas International Airport (CLT)
- Raleigh-Durham International Airport (RDU)
- Wilmington International Airport (ILM)
- Piedmont Triad International Airport (GSO)

## RAIL

### Two Class 1 Carriers

North Carolina has more than 3,200 miles (5,100km) of track. Two class 1 carriers, CSX Transportation (CSX) and Norfolk Southern (NS), offer direct service to North American markets and to all major ports along the U.S. East Coast.

- Intermodal service hubs in Charlotte (NS, CSX) and Greensboro (NS)
- Direct intermodal service from Port of Wilmington to CSX terminal in Charlotte
- Major rail yards in Lexington (NS) and Hamlet (CSX)
- 19 regional railroads, including six that connect to both NS and CSX railroads

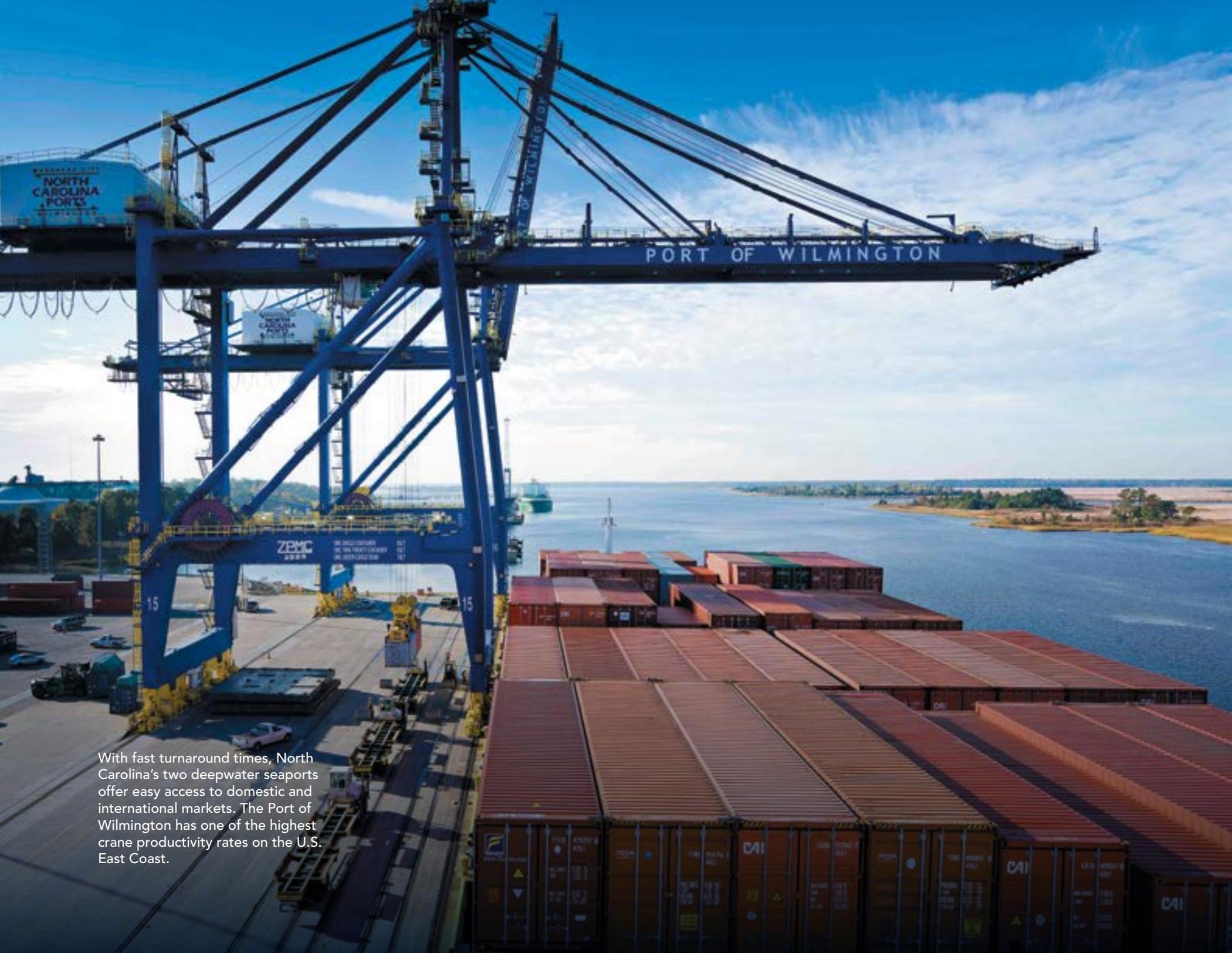


**178 MILLION CUSTOMERS WITHIN A DAYS DRIVE**

Easily access other major U.S. markets

-   
**8 HOURS**  
 102 M PEOPLE
-   
**12 HOURS**  
 178 M PEOPLE
-   
**18 HOURS**  
 224 M PEOPLE

● Major U.S. Cities



With fast turnaround times, North Carolina's two deepwater seaports offer easy access to domestic and international markets. The Port of Wilmington has one of the highest crane productivity rates on the U.S. East Coast.



**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**



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