

FIBERS OF INNOVATION.

NORTH CAROLINA'S TEXTILES & NONWOVENS INDUSTRIES



www.edpnc.com



FIBERS OF INNOVATION.

The nation's only college devoted entirely to textiles. 22,000+ STEM graduates per year. Largest nonwovens workforce in the nation. North Carolina is where a rich textile tradition meets a thriving, high-tech hub to create an unparalleled environment for both textiles and nonwovens companies. The state boasts the largest concentration of nonwovens companies, users and suppliers in the nation and is highly specialized in engineered fabrics. 30 percent of the top 40 largest nonwovens firms in the world operate in North Carolina, including Berry Global, Freudenberg Performance Materials, and Kimberly-Clark.

Textiles and nonwovens companies choose NC for its winning combination of location, talent, and existing industry strength. NC is the 9th largest state in the nation with more than 10 million residents, growing 25% from 2001 to 2017. Our state consistently ranks among the top five in internationally-recognized business environment rankings. Top-tier university partnerships support the industry's continued success. Join the Momentum. Consider NC for your next trade or investment decision.

TEXTILES & NONWOVENS INDUSTRY LEADERS



NORTH CAROLINA'S TEXTILES AND NONWOVENS ADVANTAGE

North Carolina is a national leader in textiles and nonwovens. With a high concentration of textile R&D activity, discovery moves faster here.

600+

TEXTILE MANUFACTURERS

NC ranks first in the nation for total number of textile manufacturers, with over 600 manufacturing establishments operating in the state. An industry presence this big means there's never a shortage of skilled workers and valuable supply chain partners.

#1

NONWOVENS WORKFORCE

More than 38,000 people work directly in NC's textile manufacturing sector. This includes the largest nonwovens manufacturing workforce in the U.S. Thousands of North Carolinians work in occupations that have transferable skill-sets for the industry.

#1

TEXTILE EXPORTS

With almost \$2 billion in textile exports in 2017, North Carolina leads the nation in total value of textile exports. The state's two deepwater seaports and two Class 1 rail carriers provide access to millions of suppliers and customers.

#1

TEXTILE INSTITUTIONS

NC State University's Wilson College of Textiles is recognized globally as a premier textile institution. The Nonwovens Institute at NC State leads the nation in nonwovens research and industry partnerships.



In the last five years, global textile companies have announced investments in North Carolina totaling over \$900 million. For example, in 2017 Fibertex Personal Care, a Danish nonwovens company, announced that it would invest \$115 million and create 145 jobs to build its first U.S. plant in Asheboro, NC.

NORTH CAROLINA'S TEXTILES & NONWOVENS MARKETS

NC's advanced textile landscape is highly diverse, with companies serving a wide variety of end users that have a strong presence in the state. Examples include:

PRIMARY END USE: TRANSPORTATION VEHICLES



PROXIMITY TO END USER

North Carolina boasts the second-fastest-growing aerospace industry in the U.S. Dozens of top aerospace companies locate in the state, including Honda Aircraft Co., HAECO, Spirit AeroSystems and Collins Aerospace. The state also enjoys a surging automotive sector. 33 of the top 100 global OEM automotive parts suppliers in North America have operations here.

PRIMARY END USE: HOME & OFFICE FURNISHINGS



PROXIMITY TO END USER

As the "Furniture Capital of the World," North Carolina's furniture manufacturing and distribution cluster employs 37,027 people across 816 establishments. The state's concentration of furniture manufacturing activity is more than three times the national average. High Point, N.C. hosts the biannual High Point Market, the largest furnishings industry trade show in the world.

PRIMARY END USE: MEDICAL/HYGIENE



PROXIMITY TO END USER

North Carolina is one of the world's largest life sciences clusters and is home to nationally ranked hospital systems. The state boasts the #1 biological product manufacturing industry and #3 pharmaceutical industry in the U.S. by total employment. Duke University Hospital, Wake Forest Baptist Medical Center, the University of North Carolina Medical Center, and Carolinas Medical Center are among the nation's top hospitals.



**SHALAG IS LOOKING FORWARD TO BECOMING A
SUCCESSFUL CORPORATE CITIZEN IN NORTH CAROLINA
AND IN OXFORD. NORTH CAROLINA IS A RECOGNIZED
CENTER FOR NONWOVEN MANUFACTURING AND
R&D AND WE HAVE IDENTIFIED HERE A STRONG
INFRASTRUCTURE TO SUPPORT OUR BUSINESS.**

**ILAN PICKMAN,
CEO, SHALAG INDUSTRIES LTD**



The domestic and global market for high-performance apparel is one reason why Greensboro, NC-based Unifi has invested over \$130 million in the state to expand production of its REPREVE recycled fibers found in brands like Ford, Patagonia and The North Face.

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, ranking #4 for net migration in the nation.

22,500+

STEM DEGREES

North Carolina's educational institutions award more than 22,500 Science, Technology, Engineering and Math degrees and certificates annually, ranking second for number of STEM grads in the Southeastern U.S.

45,000+

TEXTILE AND APPAREL WORKERS

North Carolina has the third largest textile and apparel workforce in the U.S. This workforce has grown 5% over the past five years.

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 OCCUPATIONS UTILIZED BY THE TEXTILE INDUSTRY

North Carolina offers textile and nonwoven companies plentiful and affordable talent. NC's textile industry wages are **about 18% below the national average.**

OCCUPATION	NC 2017 JOBS	NC JOB GROWTH (2013 - 2017)	NC AVG. ANNUAL EARNINGS	US AVG. ANNUAL EARNINGS
TEXTILE MACHINE OPERATORS	15,122	4%	\$26,956	\$28,891
SEWING MACHINE OPERATORS	9,673	3%	\$26,582	\$26,457
PRODUCTION WORKERS	99,668	6%	\$33,550	\$34,964
SUPERVISORS OF PRODUCTION WORKERS	20,775	6%	\$58,513	\$61,464
INSPECTORS, TESTERS, SORTERS, WEIGHERS	19,261	7%	\$35,464	\$40,372
INDUSTRIAL MACHINERY MECHANICS	11,425	11%	\$49,067	\$52,956

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 unmatched access to R&D resources. In 2017, the state produced the most textile sciences & engineering grads in the U.S.

UNIVERSITIES UNDERGRADUATE AND GRADUATE DEGREES

Among North Carolina's 53 colleges and universities, there are three Tier 1 research universities – Duke University, UNC Chapel Hill and North Carolina State University. UNC Chapel Hill and Duke rank among the top 30 universities in the world for the most U.S. utility patents in 2017. The NC State Wilson College of Textiles is recognized globally as a premier textile institution, offering undergraduate and graduate degrees in fields like textile chemistry, engineering, design and management. The Wilson College of Textiles serves as a hub for R&D, a supplier of industry talent and an exceptional asset for industry partnerships throughout the state and world.

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. More than 800,000 students enroll at one of NCCCS's 58 campuses each year. The Textile Technology Center at Gaston Community College provides a variety of services for textile companies including sample production, product testing, and customized training. The Manufacturing Solutions Center, a division of Catawba Valley Community College, assists the textile industry to compete in global markets through training, testing, product development, and marketing services.



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 businesses. In 2017, NCWorks worked with 1,000 companies across the state and more than 36,000 students went through training for these businesses. The majority of companies served have been advanced manufacturers.

INDUSTRY RESOURCES

TARGETED INDUSTRY SUPPORT

North Carolina has numerous programs and research centers that support textile & nonwoven entrepreneurs and businesses. Examples include:

- **The Nonwovens Institute at NC State University (NWI)** is the world's first and only accredited academic program for interdisciplinary study of engineered fabrics. NWI is an innovative global partnership between industry, government, and academia. It is the largest industry/university cooperative research center in the nation.
- **The Association of the Nonwoven Fabrics Industry (INDA)** serves hundreds of member companies in the nonwovens industry doing business globally by providing sourcing and business development services.
- **The Textile Protection and Comfort Center at NC State University (TPACC)** is a world leader in lab-based instrumented systems and has facilities devoted to analysis of heat and flame protection, chemical resistance, and comfort performance.
- **Zeis Textiles Extension at NC State University (ZTE)** provides training and certification in textiles and serves the industry's prototyping production needs for entrepreneurs as well as corporations.
- **Cotton Inc.**, headquartered in Cary, N.C., is the premier research and marketing company representing upland cotton.



The NC State Wilson College of Textiles hosts two career fairs each year to connect employers with the largest pool of technically educated students. NC State produces more textile graduates per year than any other university in the country. Wilson College graduates enjoy successful careers at companies like DuPont, Unifi, Hanesbrands, VF Corp. and many more.

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)

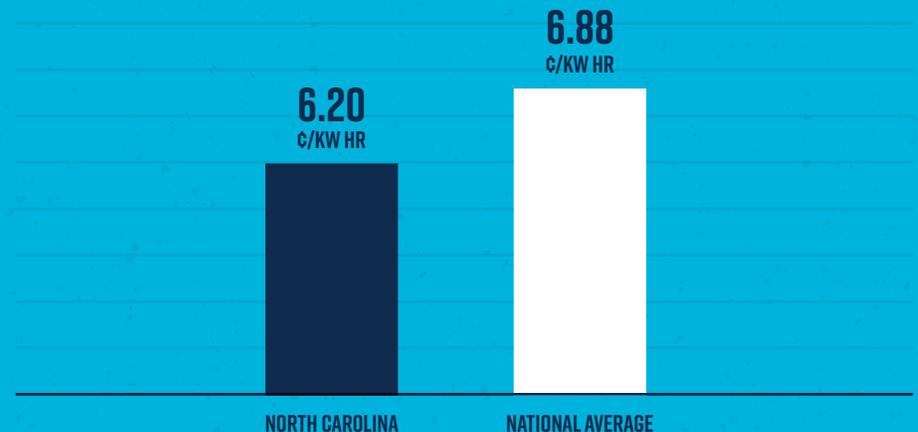
LOW COST OF LIVING

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.

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, large fulfillment centers, and data centers.

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 7th 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:

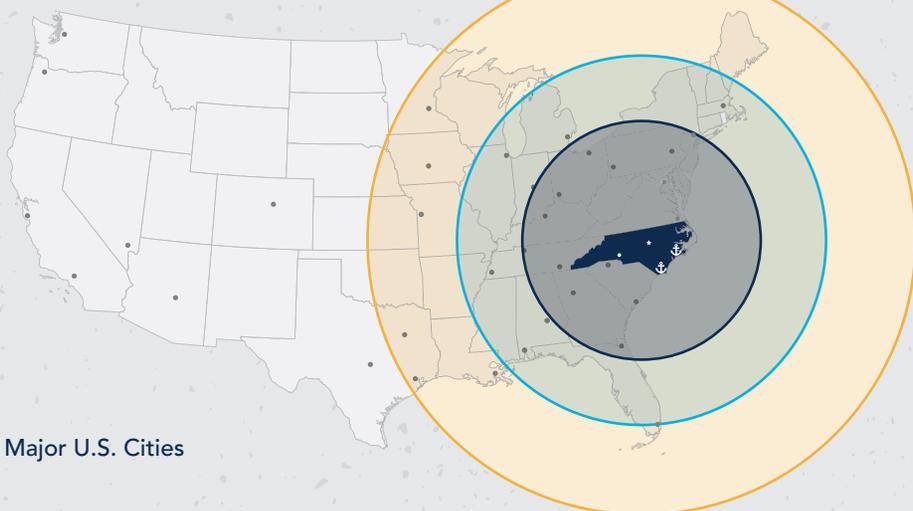
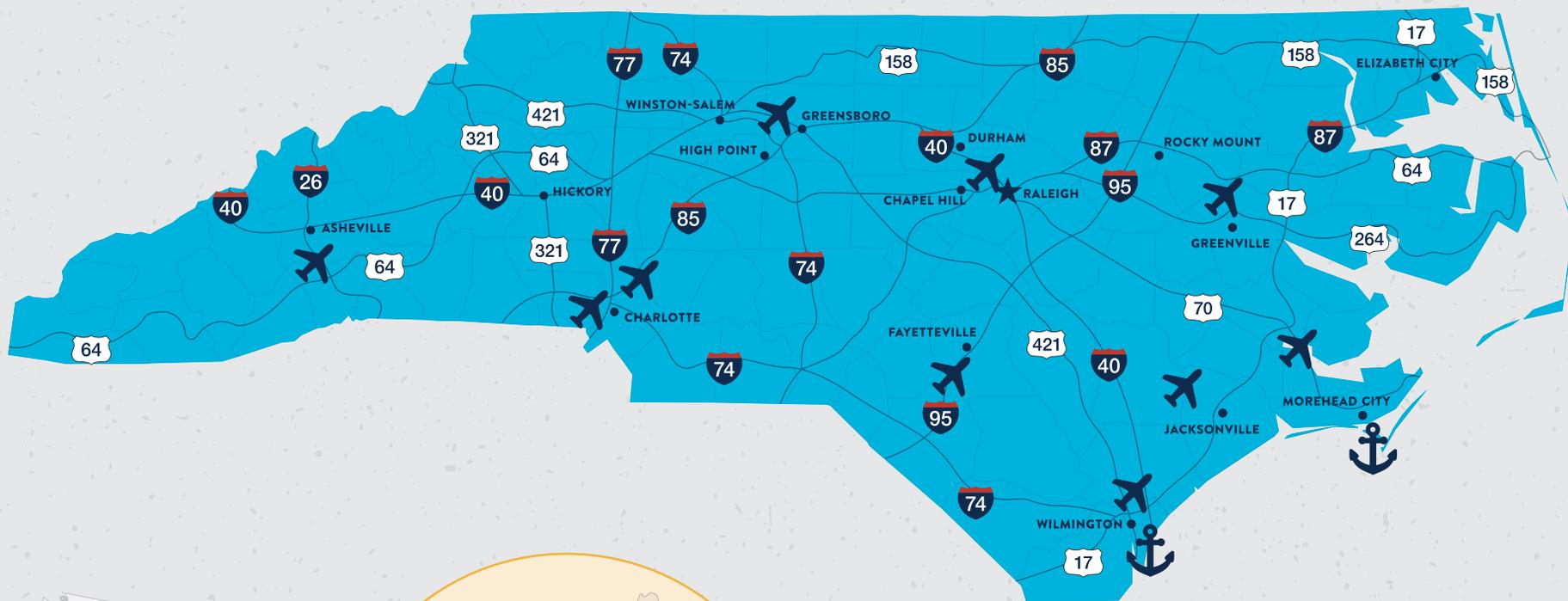
- Charlotte-Douglas International Airport (CLT)
- Raleigh-Durham International Airport (RDU)
- Wilmington International Airport (ILM)
- Piedmont Triad International Airport (GSO)

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

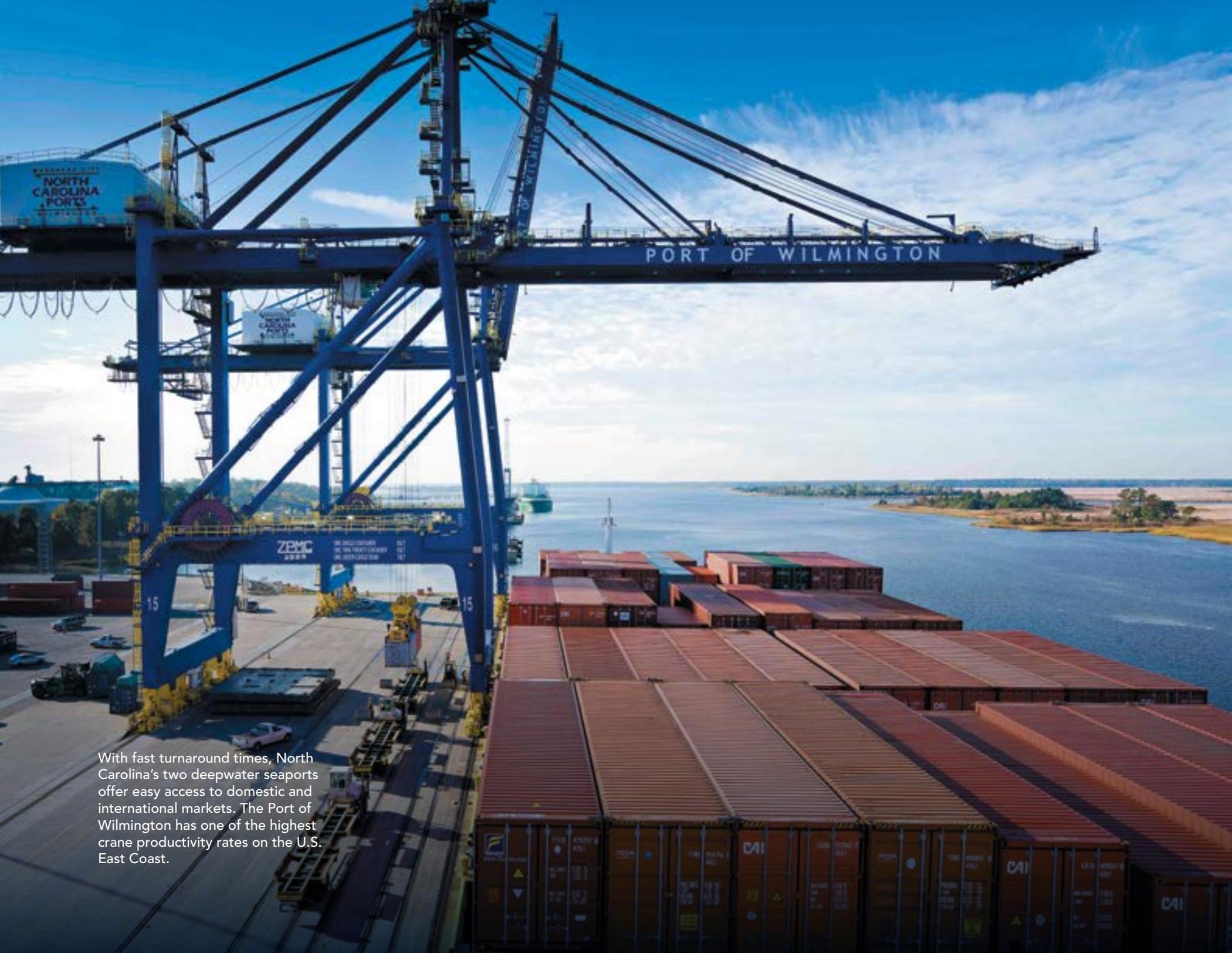


178 MILLION CUSTOMERS WITHIN A DAYS DRIVE

Easily access other major U.S. markets



● 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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