RISE WITH US.
NORTH CAROLINA’S AEROSPACE INDUSTRY
www.edpnc.com
Aerospace companies pick up speed in North Carolina. The state's growing network of suppliers and workforce resources offer industry giants and smaller manufacturers a launch pad for success.

With 13% employment growth from 2015-2019 North Carolina’s aerospace manufacturing sector has grown 3x the national average.

North Carolina is home to over 200 leading aerospace companies spread across the state. Major industry sectors include both airplane assembly and parts manufacturing.

Over 400 establishments make up North Carolina’s aerospace supply chain, including engineering, manufacturing, MRO, and other support services.

North Carolina’s aerospace industry purchases over 65% of its supply chain inputs from other businesses in the state.
Headquartered in Greensboro, North Carolina, Honda Aircraft Company leads the world in the production of the most advanced light jets. The company employs more than 1,700 people across the state.
Spirit AeroSystems in Kinston, North Carolina produces sections of the composite center fuselage for the Airbus A350 family of aircraft.
PLENTIFUL AND SKILLED WORKFORCE

5,130,000+

LABOR FORCE
Largely fueled by domestic in-migration, North Carolina has one of the largest labor forces in the U.S. From 2010-2018, North Carolina was among the top three states for net migration.

#2

STEM
North Carolina is home to more than 25,000 Science, Technology, Engineering, and Math grads annually, ranking second for STEM grads in the Southeastern U.S.

475,000+

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 4% and is projected to continue growing.

45,000+

ENGINEERS
North Carolina’s engineering workforce has grown 18% over the past five years, leading the nation for engineering job growth.

LABOR SUPPLY FOR TOP AEROSPACE OCCUPATIONS
North Carolina offers aerospace companies an abundant and affordable supply of labor. NC’s aerospace industry wages are about 9% below the national average.

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>ASSEMBLERS AND FABRICATORS</td>
<td>68,295</td>
<td>3%</td>
<td>$29,366</td>
<td>$32,839</td>
</tr>
<tr>
<td>MECHANICAL ENGINEERS</td>
<td>8,318</td>
<td>25%</td>
<td>$82,742</td>
<td>$87,360</td>
</tr>
<tr>
<td>INSPECTORS, TESTERS, SORTERS, WEIGHERS</td>
<td>19,984</td>
<td>11%</td>
<td>$34,528</td>
<td>$38,251</td>
</tr>
<tr>
<td>SOFTWARE DEVELOPERS AND PROGRAMMERS</td>
<td>49,928</td>
<td>16%</td>
<td>$98,169</td>
<td>$100,061</td>
</tr>
<tr>
<td>MACHINISTS</td>
<td>12,003</td>
<td>5%</td>
<td>$40,892</td>
<td>$43,617</td>
</tr>
<tr>
<td>AIRCRAFT MECHANICS AND SERVICE TECHNICIANS</td>
<td>8,258</td>
<td>6%</td>
<td>$56,992</td>
<td>$62,920</td>
</tr>
</tbody>
</table>
THE PERFECT CLIMATE FOR GROWING TALENT

North Carolina offers one of the nation's most renowned education systems, supplying companies with a pipeline of skilled workers. Companies across the state enjoy 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. North Carolina State University offers degree programs in aerospace engineering. The program has conferred more than 400 aerospace engineering degrees over the past five years.

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 680,000 students enroll at one of NCCCS’s 58 campuses each year. NCCCS offers degrees and certificates relevant to the aerospace industry like aviation electronics, computer engineering, aviation systems technology, and welding. Spirit AeroSystems’ Composite Center of Excellence at Lenoir Community College and Guilford Technical Community College’s advanced aviation programs are examples of North Carolina’s top-notch workforce programs designed to serve the growing aerospace industry.
MILITARY WORKFORCE

About 20,000 military personnel in North Carolina are projected to re-enter the civilian workforce each year. Many of these workers specialize in aerospace propulsion and ground equipment. Aerospace companies enjoy close proximity to military air operations. The Marine Corps Air Station at Cherry Point maintains a Fleet Readiness Center (FRC) that provides maintenance, engineering, and logistics support for Navy and Marine Corps aviation activities.

INDUSTRY RESOURCES

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

- The North Carolina Advanced Manufacturing Alliance (NCAMA) works to accelerate job training, build programs to meet industry needs, and bolster online learning.

- The NextGen Air Transportation (NGAT) Center focuses on developing improvements to air traffic control, airspace managements, airport and airspace system capacity, surface traffic management and flight safety.

- North Carolina Global TransPark offers an 11,500 foot runway, onsite rail spur, fiber optic network, and warehouse facilities.

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 aerospace industry. In FY 2017-2018, NCWorks trained more than 36,000 employees from over 1,000 companies across the state.

The Spirit AeroSystems Composite Center of Excellence, operated by Lenoir Community College, provides workforce training for aerospace businesses in North Carolina.
UNMATCHED BUSINESS ENVIRONMENT

#1
BEST STATE FOR BUSINESS
- Forbes (2019)

#2
TOP STATE BUSINESS CLIMATE
- Site Selection (2019)

#3
BEST STATE FOR BUSINESS
- CNBC (2019)

#3
COMPETITIVE LABOR ENVIRONMENT
- Area Development (2019)

LOW COST OF LIVING
The cost of living in North Carolina is well below that of other states with strong aerospace manufacturing clusters.

<table>
<thead>
<tr>
<th>State</th>
<th>Cost of Living</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORTH CAROLINA</td>
<td>88</td>
</tr>
<tr>
<td>FLORIDA</td>
<td>96</td>
</tr>
<tr>
<td>ARIZONA</td>
<td>99</td>
</tr>
<tr>
<td>WASHINGTON</td>
<td>109</td>
</tr>
<tr>
<td>CONNECTICUT</td>
<td>120</td>
</tr>
<tr>
<td>CALIFORNIA</td>
<td>133</td>
</tr>
<tr>
<td>NATIONAL AVERAGE</td>
<td>100</td>
</tr>
</tbody>
</table>

LOW ELECTRICITY COSTS
NC’s industrial electricity costs are about 10% below the national average.

<table>
<thead>
<tr>
<th>State</th>
<th>Cost/KW HR</th>
</tr>
</thead>
<tbody>
<tr>
<td>NORTH CAROLINA</td>
<td>6.20</td>
</tr>
<tr>
<td>NATIONAL AVERAGE</td>
<td>6.83</td>
</tr>
</tbody>
</table>

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.

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

RIGHT TO WORK STATE
North Carolina is one of 28 right to work states.
THE POSITIVE BUSINESS ENVIRONMENT AND EMPLOYEE WORK ETHIC IN THE REGION WERE KEY FACTORS IN THE SELECTION OF UNION COUNTY FOR THE EXPANSION. OUR CONFIDENCE IN NORTH CAROLINA IS VALIDATED BY OUR INVESTMENT...

RICHARD HARSHMAN, CEO, ATI SPECIALTY MATERIALS
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. Aviation gasoline and jet fuel are exempt.

5.25%  
PERSONAL INCOME TAX  
The standard deduction is $10,750 for single tax payers and married couples filing separately, $21,500 for married couples, and $16,125 for heads of households.

NONE  
STATE PROPERTY TAX  
There is no state-level property tax. Real and personal property taxes vary by local government. In 2019, N.C. had the 6th lowest commercial and 10th 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

8 HOURS
102 M PEOPLE

12 HOURS
178 M PEOPLE

18 HOURS
224 M PEOPLE
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