



INDUSTRY FACTS

**\$5.02
BILLION**
INDUSTRY
OUTPUT 2022
PER BEA

**64.8% GDP
GROWTH**
2012-2022
PER BEA

82%
OF ND EXPORTERS
ARE SMALL
BUSINESSES

6.8%
PER 2022 BEA
STATS

Updated 8.23.2023



MANUFACTURING OPPORTUNITIES

Advanced manufacturing companies doing business in North Dakota include Doosan (Bobcat), John Deere, CNH Industrial, Air Liquide and Caterpillar.

Due to an abundance of energy, a skilled workforce, and a business-friendly climate (due in part to being the only state in the nation with its own state bank), North Dakota has enjoyed robust expansion in primary sector activity. Strong market growth, both domestically and internationally, has contributed to a healthy manufacturing economy.

Manufacturing and technology-based businesses in North Dakota face a serious threat from international competition. North Dakota manufacturers are not immune to the pressures of globalization and competition.

The Department of Commerce has concluded, through a combination of a manufacturing surveys and personal visits with manufacturing leaders across the state, that future expansion of our manufacturing sector will come not from labor growth, but rather from innovation and productivity gains, as well as a strong focus on developing foreign markets. State policy has been put into place to help stimulate and incentivize growth in this area.

PARTNERS

North Dakota Trade Office

The North Dakota Trade Office (NDTO) continues to increase its efforts to expand North Dakota's exports to high-demand foreign markets. In 2018, North Dakota led the nation in export growth, with a 35% increase over the previous year. Continued support and funding for the NDTO are essential to continued market growth for our state's manufacturers, producers, and exporters. Find more information at www.NDTO.com.

Impact Dakota

IMPACT Dakota is the North Dakota delivery organization of the U.S. Department of Commerce's nationwide Manufacturing Extension Partnership (MEP) network. Impact Dakota's team of manufacturing industry experts provide specialized services to North Dakota based manufacturing and ag-processing companies. Impact Dakota supports North Dakota manufacturers by conducting detailed needs assessments, outlines potential solutions, and provides technical assistance that deliver positive financial impacts. In 2022, Impact Dakota manufacturers served reported impacts of \$67.2M total sales retained/ gained, 354 jobs retained/ gained, \$2.1M total cost savings and \$10M total new investments.

TRADE AND TRANSPORT BY THE NUMBERS



Two foreign trade zones



Two Canada-Mexico trade corridors



Top five export markets Canada, Mexico, Australia, Czech Republic, Germany.



Five international airports



Two major interstates I-94 East/West and I-29 North/South



Two Mainline Railroads Burlington Northern Santa Fe and Canadian Pacific



Manufacturers in North Dakota account for **7.3% of the total output** in the state, employing 7.7% of the workforce

Areas of service include, but are not limited to:

- Business Operations Optimization — Strategy, Structure, People, Methods, Communications, Metrics and Rewards
- Production and Operations — Innovations: Process Improvements & Efficiencies, Automation, etc.
- Regulatory Compliance- ISO9001, AS9100, ISO13485 QMS; Global Food Safety- HACCP, PCQI, SQF, etc.; Cybersecurity NIST SP 800-171/CMMC; OSHA Safety
- Workforce Development
- Supply Chain Optimization & Intelligence Network — Purchasing, Supplier Quality, etc.

STRATEGIC INCENTIVE ADVANTAGES

Workforce

- New Jobs Training Program — Grant program reimbursing employee withholding taxes
- Operation Intern – Grant program designed to create new internships and apprenticeships in North Dakota's target industries
- Career Builders Scholarship and Loan Repayment Program – Public/private matching fund program to promote skilled workforce jobs requiring a two year degree or less

Financial Incentives

- Angel Match Program - Matches early-stage equity investments into primary sector businesses up to \$250,000
- North Dakota Development Fund, Inc. — Gap financing loan and equity program
- PACE Program — Interest buy-down program at Bank of North Dakota
- MATCH Program — Loans at U.S. Treasury yield rate + 0.25%
- Legacy Investment for Technology (LIFT) Loan Fund — Innovation loan fund to support technology. Low (0-2%) interest financing for research and development in target diversification sectors

Income Tax Exemptions

- Five-year corporate income tax exemption for new or expanding primary sector business

Sales Tax Exemptions

- Sales and use tax exemption on machinery and equipment
- Utilities are not taxed in state

Property Tax Exemptions

- Up to a five-year 100% property tax exemption
- Additional five years are available for agricultural processors
- Payment in lieu of a property tax exemption. A company may negotiate a fixed or graduated tax rate for a period not to exceed 20 years
- Personal property is not taxed, including equipment, materials in process and accounts receivable

Tax Credits

- Automation Tax Credit – Tax credit designed to promote factory automation in North Dakota
- Investment tax credits for business investors