MANUFACTURING OPPORTUNITIES

Strong market growth, both domestically and internationally, have contributed to a healthy manufacturing economy in the state. 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. Its staff of experts provide specialized business consulting 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 to solve problems that deliver positive financial impacts. In 2021, clients reported $30.1 million in gained and retained sales, $2.9 million in cost savings, $4.4 million in investments made, and 219 jobs created and retained as direct result of projects delivered by Impact Dakota.
TRADE AND TRANSPORT BY THE NUMBERS

Two Foreign Trade Zones

Two Canada-Mexico Trade Corridors

Top Five Export Markets — Canada, Mexico, Australia, Germany, Brazil

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

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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

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

Areas of service include, but are not limited to:
• Process Improvement
• Business Operations Optimization — Strategy, Structure, People, Methods, Communications, Metrics and Rewards
• Compliance and/or Certifications — Cybersecurity/CMMC, Food Safety, ISO, etc.
• Quality Management Systems
• Workforce Development
• Automation
• Performance Improvement: Growth Strategies and Innovation

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For more information, contact David Lehman at dlehman@nd.gov