MANUFACTURING OPPORTUNITIES IN NORTH DAKOTA

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.

While the rest of the country has experienced a manufacturing retraction since 2000, North Dakota has enjoyed an expansion. Strong market growth, both domestically and internationally, have contributed to a healthy manufacturing economy.

Manufacturing and technology-based businesses in North Dakota face a serious threat from off-shore 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 survey 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, both in terms of taxes and finance, should be examined to help stimulate and incentivise growth in this area.

STRATEGIC INCENTIVE ADVANTAGES

Job Training
- New Jobs Training Program — Grant program reimbursing employee withholding taxes

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

Financial Incentives
- North Dakota Development Fund — 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%
- Research North Dakota — Grant funds for conducting R&D in partnership with North Dakota universities

Income Tax Exemptions
- Five-year corporate income tax exemption for new or expanding primary sector business
- Investment tax credits for business investors

Property Tax Exemptions
- Up to five-year 100% property tax exemption
- Additional five years 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
North Dakota Trade Office
The North Dakota Trade Office increased its efforts to expand North Dakota’s exports to high-demand foreign markets. In fact, North Dakota led the nation in export growth in 2007 at 34 percent. Continued support and funding for the trade office is essential to continued market growth for our state’s manufacturers.

IMPACT Dakota
Specific tactics used for advanced manufacturing includes the Dakota Manufacturing Extension Partnership, which also assists manufacturers to help them become more competitive.

Advanced Manufacturing Centers of Excellence
The Centers of Excellence program has been used to strengthen North Dakota’s manufacturers and technology-based businesses. Advanced Manufacturing Centers of Excellence include:

- Strom Center for Entrepreneurship and Innovation (Dickinson State)
- Dakota Center for Technology Optimized Agriculture (Lake Region)
- Center for Advanced Electronics Design and Manufacturing (NDSU)
- Center for Surface Protection (NDSU)
- COE in Life Sciences and Advanced Technologies (UND)
- Center for Integrated Electronic Systems (NDSU)
- Center for Biopharmaceutical Research and Production (NDSU)
- Center for Passive Therapeutics (UND)

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