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.

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, 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 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 has been put into place to help stimulate and incentivise 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 processing companies. Impact Dakota conducts detailed needs assessments, outlines potential solutions and provides technical assistance to solve problems of waste and inefficiencies. Areas of service include, but are not limited to:

- Process Improvement
- Compliance Certifications (Cybersecurity/CMMC, Food Safety, ISO, etc.)
- Quality Management Systems
- Leadership and People Development
- Performance Improvement: Growth Strategies and Innovation

INDUSTRY FACTS

$4.02 BILLION INDUSTRY OUTPUT 2019

59% GROWTH TOTAL OUTPUT 2010–2019

82% OF ND EXPORTERS ARE SMALL BUSINESS

6.3% INDUSTRY OUTPUT

UPDATED 01/06/2021
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 7.4% of the total output in the state, employing 6.3% of the workforce

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 ND’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
• 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%
• Financial Investment for Technology (LIFT) — 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

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