North Carolina Motor Vehicle and Heavy Equipment Cluster

Over 1,000 Manufacturing Facilities Supplying the Industry
NC Motor Vehicle & Heavy Equipment
Cluster: Presentation Objectives

• Define the cluster
• Illustrate its size, location, and sectors
• Comment on cluster’s strengths, weaknesses and opportunities
• Discuss the likely future of cluster
Transportation Enterprise Team Projects

- Database of over 1,000 NC sites
- Automotive Brochure, Map
- NC Motor Vehicle & Heavy Equipment Cluster 2005 Report
- Economic Impact Analysis of Cluster
- Assess supply chain gaps, problems and needs
- Strategies to bolster Cluster
- Promote and Market the Cluster
What is a Cluster?

- Interconnected companies & associated institutions
- A specific type of product or product group
- In particular geographic area
- Customer-supplier relationship links companies

Fosters access to:
- Supplies & equipment
- Skilled labor
- Higher education & training
- Applied research
- Technical & scientific personnel
NC Motor Vehicle & Heavy Equipment Cluster: Background

Porter’s 2003 Findings:
• 10th Largest Automotive Cluster – 39,500 employees, 3.3% of total U.S.
• 12th Heavy Machinery Cluster – 11,800 employees, 3.4% of total U.S.
• No definition of what types of businesses are included

Our Approach:
• MV & Heavy Equip. Codes
• Directory Search of sites
• Company claims MV sector
• Input from B&I, Existing Industry, ITD
• Phone and Web follow up
• Over 1,000 company sites
• 124,000 employees, 22% of NC manufacturing workforce
North Carolina Motor Vehicle & Heavy Equipment Manufacturing Cluster

Suppliers 61%

MV Parts & Accessories 25%

MV Bodies 9%

Other MV 5%

Number of Company Sites: 1,036

Source: NCDOC, Division of Policy, Research and Strategic Planning, January 13, 2005.
Motor Vehicle and Heavy Equipment Manufacturing Cluster by Industry SIC

- 261 – Parts & Accessories (SIC 3714)
- 163 – Industrial/Commercial Machinery and Computer Equipment
- 117 – Primary & Fabricated Metals
- 93 – Car & Truck Bodies (SIC 3711 & 3713)
- 92 – Rubber & Plastics
- 76 – Textiles & Fabrics
- 73 – Electronics Except Computers
- 59 – Chemical & Petroleum
- 52 – Other Motor Vehicle (SIC 3500 & 3700)
- 50 – Other Industries

Source: NCDOC, Division of Policy, Research and Strategic Planning., January 13, 2005.
North Carolina Motor Vehicle & Heavy Equipment Manufacturing Cluster, Facilities by Partnership Region

![Bar chart showing the number of company sites by Partnership Region]

Number of Company Sites

- **A W**: 77 (40 Primary SIC, 37 Secondary SIC)
- **Charlotte**: 249 (167 Primary SIC, 82 Secondary SIC)
- **Eastern**: 49 (29 Primary SIC, 20 Secondary SIC)
- **Piedmont**: 142 (72 Primary SIC, 70 Secondary SIC)
- **RTP**: 78 (27 Primary SIC, 51 Secondary SIC)
- **Northeast**: 1 (1 Primary SIC, 0 Secondary SIC)
- **Southeast**: 41 (21 Primary SIC, 20 Secondary SIC)

Source: NCDOC, Division of Policy, Research and Strategic Planning, October 10, 2003
Motor Vehicle & Heavy Equipment Sites Map
150 or More Employees

Legend
△ Automotive Industry or Supplier
￥ Major Highway Network
Map 2
Motor Vehicle Assembly Plants in the South

Legend
★ Auto Assembly
★ Bus Assembly
★ Truck Assembly

Source: Adapted from Southern Legislative Conference, The Drive to Move South, Table 12, p. 30.
Cluster Strengths

- Dynamic Supply Chain: 400 Primary & 600 Suppliers
- University Engineering Schools and Applied Research Centers
- Community College Technical Training
- RTP: High Tech and Innovation
- Racing and Motorsports Hub
- Strong Heavy Equipment Manufacturing Sector
- Diversified Manufacturing Infrastructure
- Skilled Manufacturing Workforce
- Team Assembly and Specialty Vehicle Fabrication and Assembly
- Location: Proximity to Major Assembly Plants, Ports
- Ample Highway, Rail and Air Transportation Access
Cluster Weaknesses

• No Automotive or Light Truck Assembly Plant
• Size and Strength of Motor Vehicle and Heavy Equipment Cluster not Widely Recognized
• Need Suitable Certified Site(s) of 1,500 to 2,000 Acres to Accommodate Large Assembly Facility
Opportunities & Challenges

• Promote NC’s motor vehicle & heavy equipment cluster
• Adopt strategies to demonstrate NC’s commitment to build and expand the cluster
• Market NC’s Motorsports Hub and growing heavy equipment sector
• Articulate how NC’s high tech and university applied research add value to the cluster
• Determine economic impact of cluster
• Evaluate NC’s automotive supply chain to determine problems, gaps and weaknesses
Thank You

QUESTIONS?

Jim Haag 919-715-6373
jhaag@nccommerce.com