Texas is home to a well-established automotive manufacturing sector that, unlike in many other states, has continued to grow throughout the 21st century. A right-to-work state, Texas is nationally ranked in the top ten for automotive manufacturing employment and establishments.

Texas’ superior workforce, vibrant economy and excellent business climate, along with the state’s central location, low production costs and competitive incentives have lured many domestic and international companies to the state.

Texas is the 10th largest economy in the world (if it were a country) based on GDP, ahead of Australia, Mexico, South Korea and Russia.

In 2016, Texas was the nation’s top exporter for the 15th year in a row with exports valued at $232 billion.

Texas is home to 16 seaports, 26 commercial airports and the nation’s largest network of freight rail and public roads.

With no corporate income tax and no individual income tax, Texas has one of the lowest tax burdens in the country.

Texas serves as a primary link between Mexico’s auto plants and the rest of the U.S. auto industry.

Sharing the longest border with Mexico of any U.S. state, Texas has become an important part of the realigned North American “auto alley,” now running north from Mexico through a number of southern U.S. states, to the Midwest rust belt.

THE TEXAS-MEXICO AUTOMOTIVE CORRIDOR

Texas ranked #1 for Economic Climate

Texas ranked #1 for Economic Climate

Awarded Site Selection’s 2016 Governor’s Cup for the 5th Straight Year

2016 Top-Ranked State for Overall Cost of Doing Business & Competitive Labor Environment

2016 Top-Ranked State for Exports & Infrastructure

Named the “Top of the Top” States for Business over the last decade

2016 Best State for Business for the 12th Straight Year

Chief Executive Magazine

CNBC

Forbes

Area Development Magazine

Business Facilities Magazine
AUTOMOTIVE MANUFACTURING EMPLOYMENT IN TEXAS

<table>
<thead>
<tr>
<th>Sector (Industry Code)</th>
<th>Employees</th>
<th>Firms</th>
<th>Average Annual Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Motor Vehicle Manufacturing (3361)</td>
<td>10,837</td>
<td>29</td>
<td>$83,668</td>
</tr>
<tr>
<td>Motor Vehicle Body &amp; Trailer Manufacturing (3362)</td>
<td>8,104</td>
<td>174</td>
<td>$48,464</td>
</tr>
<tr>
<td>Motor Vehicle Parts Manufacturing (3363)</td>
<td>20,130</td>
<td>283</td>
<td>$53,560</td>
</tr>
<tr>
<td>TOTAL</td>
<td>39,071</td>
<td>486</td>
<td>$61,897</td>
</tr>
</tbody>
</table>

Source: Texas Workforce Commission, (2016 Q3)

MAJOR AUTO EMPLOYERS IN TEXAS

1,752
Texas is home to 1,752 automaker facilities.

№7
Texas ranks No. 7 in the U.S. for automotive manufacturing employment.

$18.5B
Over the past eight years, Texas automotive exports have more than doubled from $9.2 billion in 2009 to over $18.5 billion in 2016.

17%
Texas has experienced a 17% increase in automotive manufacturing since 2014.

INCENTIVES

IN TEXAS ENTERPRISE FUNDS
$50.5 MILLION
HAVE BEEN AWARDED TO
AUTOMOTIVE-RELATED PROJECTS
AND CREATED NEARLY
6,000 JOBS

CONTACT US

Office of the Governor, Economic Development & Tourism
The Governor’s Office of Economic Development and Tourism serves as the state’s leading economic development organization, marketing Texas as the world’s premier business investment and travel destination, encouraging business expansion and relocation prospects, with the goal of developing job creation and export opportunities for the Texas business community.

Office of the Governor of Texas
Economic Development
221 East 11th Street, Suite 400 | Austin, TX 78701
512.936.0100
www.TexasWideOpenforBusiness.com
The Advanced Technology and Manufacturing cluster is made up of three sub-clusters: nanotechnology, semiconductors, and automotive manufacturing. Texas’ world-class universities and research facilities, highly trained workforce, strong government and private business support, and a thriving business climate make Texas a national and global leader in all three sub-clusters.

Texas is the birthplace of the integrated circuit, invented by Texas Instruments’ Jack Kilby in 1958.

The manufacturing industry employs over 899,500 Texans with an average annual wage of $73,500.

Texas exported over $23.2 billion in transportation equipment in 2014.

Toyota and General Motors are the two largest auto manufacturing employers in the state.

Texas is the top U.S. state for manufacturing exports and value of shipments.

The buckyball, discovered at Rice University’s Institute for Nanoscale Science & Technology won three professors the 1996 Nobel Prize in Chemistry.
Education, Research, and Development

Texas universities and other educational institutions are heavily invested in research and development (R&D). In 2013, state expenditures for R&D at higher educational institutions exceeded $3.7 billion, according to the Texas Higher Education Coordinating Board.

Advanced Technology & Manufacturing Education and R&D Programs

- Rice University - Richard E. Smalley Institute for Nanoscale Science and Technology, the Center for Biological and Environmental Nanotechnology, and the International Council on Nanotechnology
- The University of Texas at Austin - Microelectronics Research Center
- University of Houston - The Texas Center for Superconductivity

Industry Private Workforce Averages

Texas’ superior workforce, vibrant economy, and excellent business climate, along with the state’s central location, relatively low production costs, and incentive funding have lured many U.S. and foreign business to expand or relocate in Texas.

<table>
<thead>
<tr>
<th>Industry (Industry Code)</th>
<th>Employees</th>
<th>Firms</th>
<th>Average Annual Wage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Semiconductors &amp; Electronics Components (3342)</td>
<td>12,036</td>
<td>169</td>
<td>$119,123</td>
</tr>
<tr>
<td>Electronic Instrument Mfg. (3344)</td>
<td>43,106</td>
<td>422</td>
<td>$109,921</td>
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<tr>
<td>Communications Equipment Mfg (3345)</td>
<td>22,960</td>
<td>257</td>
<td>$83,749</td>
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<tr>
<td>Motor Vehicle Manufacturing (3361)</td>
<td>11,476</td>
<td>31</td>
<td>$70,058</td>
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<tr>
<td>Motor Vehicle Body &amp; Trailer Manufacturing (3362)</td>
<td>7,521</td>
<td>178</td>
<td>$40,430</td>
</tr>
<tr>
<td>Motor Vehicle Parts Manufacturing (3363)</td>
<td>16,638</td>
<td>293</td>
<td>$50,064</td>
</tr>
</tbody>
</table>

*2013 data, private employment only. Source: BLS*