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Michigan aims to fend off North Carolina, other states in fight for automakers



State's in the South are gaining steam in the competition for major auto assembly operations, especially as the electric vehicle market grows.



By Lauren Ohnesorge – Senior Staff Writer, Triangle Business Journal - Jan 5, 2022

An economic development effort by Michigan could keep a trophy automaker out of North Carolina's reach in 2022.

As interest in North Carolina from electric vehicle manufacturers heats up, Michigan – long thought of as the leader in automotive assembly – has pushed forward new business incentives aimed at attracting jobs from major automakers.

Lawmakers in Michigan have said the legislation, which creates a \$1 billion economic development fund, is a direct response to Ford Motor Company's (NYSE: F) decision to invest more than \$11 billion in electric battery and vehicle plants in the South.

And Ford - which had considered North Carolina for a \$5.6 billion manufacturing site before giving the win to Tennessee earlier this year – isn't alone. Automakers across the industry are looking to invest in manufacturing, and the Toyota Motor Corp. (NYSE: TM) EV battery plant recently announced for the Greensboro-Randolph megasite shows North Carolina is in the game.

John Boyd, a site selection consultant based in Florida, said Michigan's program is a defensive play targeted at the South.

"Michigan is understandably upping the ante in the game of business attraction but is doing so largely from a defensive position after witnessing several trophy projects in [the] coveted EV arena go to more business friendly states like North Carolina, Texas, Tennessee and Georgia," Boyd said, adding that the auto industry was born in Michigan, which makes the loss of projects like Tesla (Nasdaq: TSLA), Rivian (Nasdaq: RIVN) and Toyota "not merely a dollars and cents loss for the state – but an emotional one as well."

Even with its new program, Michigan is right to be worried about states like North Carolina, Boyd said. He pointed to the Toyota battery plant that could someday "lead to a new Toyota assembly plant."

"I also expect a wave of suppliers to gravitate to the region to do business with the massive new Toyota plant," he said.

Public records show attention from the automobile sector was gaining steam even before Toyota selected the North Carolina megasite.

Ineos Automotive, for example, picked Raleigh for its new North American headquarters. The British company, which hopes to launch its new utility vehicle in 2022, plans to create two dozen jobs in the region – its assembly operations are in Europe.

But bigger projects, too, have eyed the state over the past two years.

Canadian firm Lion Electric Company considered the state for an 800-job electric vehicle plant before going with Illinois instead.

Another Canadian firm, ElectraMeccanica Vehicles Corp. (Nasdaq: SOLO), also seriously considered the state, as did Tesla before picking Texas. And just a few weeks ago Rivian announced plans for a \$5 billion plant in Georgia. Amazon-backed Rivian had seriously considered North Carolina for that investment, state officials confirmed to the TBJ.

Multiple sources have also confirmed a yet-to-be-revealed EV firm has asked economic developers to provide site options in North Carolina. A site it's considered is Triangle Innovation Point, a megasite in Chatham County that's also being seriously eyed by a giant U.S. semiconductor company.