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As NC chases foreign investments, Toyota plant could be competitive advantage



A new report out of the Global Business Alliance details the employment impact of the 1,140 international companies in North Carolina.

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Foreign direct investment is creating jobs in North Carolina – but not as quickly as in neighboring states like Virginia, Tennessee, South Carolina and Georgia.

A new report from the Global Business Alliance details the employment impact of the 1,140 international companies in North Carolina – firms such as Fujifilm Diosynth Biotechnologies,

Lenovo, GlaxoSmithKline (NYSE: GSK) and Novo Nordisk (NYSE: NVO) – that support 292,500 workers in the state – 130,300 of which are in manufacturing, according to the analysis.

The total jobs number for North Carolina is larger than each of our neighboring states, but the Tar Heel state's growth rate for those jobs is the smallest among the group for the period between 2014 and 2019. FDI employment rose 20.9 percent in North Carolina from 2014 to 2019 (compared to overall private sector employment growth of 12.1 percent in the state). Georgia's growth rate of 31.6 percent is the highest.

FDI employment among North Carolina's neighboring states, according to the Global Business Alliance:

- Georgia: 287,400 workers – 31.6 percent increase from 2014 to 2019.
- Tennessee: 203,000 workers – 33.4 percent increase
- South Carolina: 162,900 workers – 26.3 percent increase
- Virginia: 210,900 workers – 21.7 percent increase

The Global Business Alliance ranked the top five in a trio of categories – including states with the most FDI-created manufacturing jobs (California, Texas, Michigan, Ohio, Illinois), states with the biggest concentration of FDI jobs (South Carolina, New Hampshire, New Jersey, Michigan, Kentucky) and states with the fastest FDI job growth (Minnesota, Tennessee, Utah, Michigan, Kansas). North Carolina wasn't on any of those lists.

But will that change?

John Boyd, a Florida-based site selection consultant, said the 1,700-job Toyota (NYSE: TM) battery plant coming to the Greensboro-Randolph megasite could spur more investment.

“That is a transformational project,” Boyd said, calling the electric vehicle market a “multifaceted one,” with opportunities in research and design as well as other battery products such as charging equipment. Japan already had a good relationship with North Carolina – particularly in the pharma space, he said. “So Toyota’s comfort in investing in North Carolina is a great endorsement and will give comfort to other countries in Asia.”

Boyd said comparing North Carolina to its neighbors is complex – as the surrounding states are all heavy hitters with major trophy wins, such as BMW in South Carolina.

“You’re comparing yourself with other highly attractive high growth states,” he said of North Carolina.

Boyd said North Carolina needs to keep doing what it’s doing – particularly the push by the state’s top recruitment entity, the Economic Development Partnership of North Carolina, to open offices abroad, such as a new location in India.

“That is very important,” he said.

Chris Chung, CEO of EDPNC, said recently that FDI accounted for at least 22 percent of active recruitment projects. In terms of North Carolina’s FDI pipeline – foreign firms considering investing in relocations or expansions in North Carolina – the top players are currently Germany, U.K., Belgium, Japan, Austria, India and Turkey.

The Global Business Alliance highlighted Netherlands, Germany and the United Kingdom as supporting the largest number of North Carolina jobs among international employers.