Iowa’s Economy

Iowa’s GDP in 2011 was $149 billion
Iowa Agriculture

First in *corn production*

19% of the total United States Production
Iowa Agriculture

First in *soybean production*

15% of the total United States Production
Iowa Agriculture

First in *hog production*

30% of the total United States Production
Iowa Agriculture

first in egg production

15.7% of the total United States Production
Iowa’s Key Industries

» Advanced Manufacturing
» Renewable Energy
» Financial services
» Information Solutions
» Advanced Manufacturing
Iowa Manufacturing

» Manufacturing is largest economic sector
» 14% percent of Iowa’s workforce versus 8.9% nationally
» $28 billion of Iowa’s Gross State Product (GSP)
» Generates 18.6% of Iowa’s GSP, versus 12.3% nationally
Iowa Manufacturing

- Iowa’s top performing industry divisions: Industrial metal processing, automation precision machinery, environment control systems, digital and electronic devices and power generation equipment.
Iowa Manufacturing

Other key industries include:

- Aerospace and defense
- Industrial chemicals
- Construction components
- Commercial and industrial motor vehicles
- Food and food ingredients
- Printing and packaging
- Medical drugs and devices
Iowa Manufacturing

» Siemens
» Pella Corporation
» Rockwell Collins
» John Deere
» 3M
» ALCOA
» Eaton Corporation
» Bridgestone
» HON Industries
» Magna International
» Sauer-Danfoss
» Gerdau

» Terex Corporation
» Case New Holland
» Lennox Manufacturing Inc.
» Cheil Jedang
» Vermeer Manufacturing
» Winnebago Industries Inc.
» NSK
» Emerson Electric
» Whirlpool
» Goodyear
» Sukup Manufacturing
» SSAB
Iowa Exports

- Iowa’s products and services were exported to 192 countries in 2011 (Source: GTIS)

- 2,447 companies exported goods from Iowa locations in 2009*

- Of those companies, 82% (2,008) are small and medium size enterprise (SME) *

- SMEs generated about 27 percent of Iowa's total exports of merchandise in 2009*
Iowa Exports

export regions and top ten export markets

January to June, 2012

THE AMERICAS
1. Canada $2,201,803,880
2. Mexico $1,448,084,433
4. Brazil $384,938,471
TOTAL REGION: $4,309,706,326

EUROPE
5. Germany $367,619,666
9. United Kingdom $198,963,038
10. France $182,165,793
TOTAL REGION: $1,144,113,332

THE MIDDLE EAST
TOTAL REGION: $136,952,204

AFRICA
TOTAL REGION: $101,480,309

CENTRAL EUROPE & RUSSIA
7. Russia $214,208,946
TOTAL REGION: $443,098,088

ASIA, PACIFIC & OCEANIA
3. Japan $455,344,481
6. China $349,536,643
8. Australia $214,187,007
TOTAL REGION: $1,575,213,492

growth rate in top
## Iowa Exports

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Value</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Machinery</td>
<td>2.838</td>
<td>21.3%</td>
</tr>
<tr>
<td>Vehicles</td>
<td>1.673</td>
<td>12.6%</td>
</tr>
<tr>
<td>Meat</td>
<td>1.574</td>
<td>11.8%</td>
</tr>
<tr>
<td>Cereals</td>
<td>0.828</td>
<td>6.2%</td>
</tr>
<tr>
<td>Food Waste/Animal Feed</td>
<td>0.628</td>
<td>4.7%</td>
</tr>
<tr>
<td>Electric Machinery</td>
<td>0.474</td>
<td>3.5%</td>
</tr>
<tr>
<td>Misc Grain/Seed/Fruit</td>
<td>0.442</td>
<td>3.3%</td>
</tr>
<tr>
<td>Misc Chemical Products</td>
<td>0.347</td>
<td>2.6%</td>
</tr>
<tr>
<td>Iron/Steel</td>
<td>0.294</td>
<td>2.2%</td>
</tr>
<tr>
<td>Iron/Steel Products</td>
<td>0.290</td>
<td>2.1%</td>
</tr>
</tbody>
</table>
Iowa Exports

growth rate in top export markets
January to June, 2011 & 2012

- Canada: +11.4%
- Mexico: +45.3%
- Japan: -9.1%
- Brazil: +64.8%
- Germany: +24.3%
- China: +39.6%
- Russia: +56.4%
- Australia: +24.7%
- United Kingdom: -6.9%
- France: +31.9%

 Millions 500 1,000 1,500 2,000 2,500

2012

top export commodities
January to June, 2012

- Vehicles, Not Railway: $1.25B
- Machinery: $1.64B
- Optic and Medical Instruments: $1.5B
- Food Waste; Animal Feed: $0.29B
- Misc. Grain, Seed, Fruit: $0.28B
- Misc. Chemical Products: $0.25B
- Cereals: $0.68B
- Meat: $0.79B
## Iowa Exports

<table>
<thead>
<tr>
<th>Region</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Davenport-Moline-Rock Island</td>
<td>$6.7 billion</td>
</tr>
<tr>
<td>Council Bluffs-Omaha</td>
<td>2.7 billion</td>
</tr>
<tr>
<td>Sioux Land Region</td>
<td>2.6 billion</td>
</tr>
<tr>
<td>Des Moines &amp; vic</td>
<td>0.970 billion</td>
</tr>
<tr>
<td>Cedar Rapids &amp; vic</td>
<td>0.881 billion</td>
</tr>
<tr>
<td>Iowa City</td>
<td>0.317 billion</td>
</tr>
<tr>
<td>Ames</td>
<td>0.256 billion</td>
</tr>
<tr>
<td>Waterloo/Cedar Falls</td>
<td>0.220 billion</td>
</tr>
<tr>
<td>Dubuque</td>
<td>0.150 billion</td>
</tr>
</tbody>
</table>
Business Recruitment

» Community Size
  - Cities Under 10,000  45%
  - Cities 10,000 or larger  55%

» Company Size
  - Small Companies  58%
  - Medium Companies  19%
  - Large Companies  23%

» Project Type
  - Recruitment  6%
  - Expansion  68%
  - Start-Up  26%
Business Recruitment Tools

» Favorable tax & regulatory climate
» Favorable resources
  – Workforce
  – Supply chain
  – Infrastructure
» Iowa Site Certification Process
  – Small Companies
  – Large Companies
» Lois System
  – Recruitment
  – Expansion
Iowa’s Favorable Tax Climate

» Iowa Corporate Income Tax
  – Single-factor, non-unitary tax, based only on the percentage of total sales income within the state of Iowa means a lower tax rate
  – Numerous Iowa income tax credits are available depending upon investment and job creation

» No Sales or Use Taxes on Manufacturing Machinery Equipment and Computers

» No Sales or Use Taxes on Energy Used in the Manufacturing Process

» No Sales or Use Taxes on Materials Used in the Manufacturing Process
Iowa’s Key Business Advantages

» Right-to-work state
» One of only a few states in the nation to consistently offer a refundable research and development activities tax credit
» Competitively priced buildings and sites
» Direct financial assistance and tax benefit programs for job creation and new capital investment projects
» Flexible job-training programs that provide customized training for new and current employees
Iowa is Less Expensive

» Lower wages – 15% less than U.S. average
» Low electricity rates – 30% less than U.S. average
» Industrial lease rates – 24% below U.S. average
» Lower insurance costs – health insurance costs 5% to 10% less than U.S. averages
Iowa’s Other Key Business Factors

» No Personal Property (Inventory) Tax
   – Personal property is not assessed for tax purposes

» No Property Tax on Industrial Machinery and Equipment

» Lower Worker’s Compensation Rates
   – 16% below the U.S. average
Iowa Site Certification Program

» Site Certification is a designation that a site meets certain readiness criteria
  – Criteria are based on location needs of private sector companies

» Site Certification is a trend that is growing rapidly
  – Driven by speed-to-market pressures on companies

» Site Certification is an initiative being undertaken by various groups with a stake in economic development
  – State and regional organizations
  – Utility providers
  – Individual developers
Iowa Site Certification Benefits

» To develop a portfolio of certified sites that will make Iowa more competitive in site selection projects

» Site certification provides the following benefits:
  – Allows for effective pro-active marketing
  – Prepares you for better re-active marketing
  – Educates you on the site’s strengths and weaknesses
  – Prepares you to offer development assistance as may be needed
  – Speeds up development schedule by having due diligence completed
Iowa Site Certification Overview

MINIMUM CRITERIA

» Iowa’s Certified Site Program is designed with 3 categories based on site size:
  – Large Sites: 250-499 acres
  – Super Sites: 500-999 acres
  – Mega Sites: 1,000+ acres
Iowa Site Certification Overview

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LOIS online tool

- Most widely used site selection tool in country
  - Over 1000 properties listed
  - 50 state comparison
  - Workforce programs
  - Community profiles
  - GIS layers
  - Tax comparisons
  - Incentives
Iowa’s Incentive Programs

» Based on:
  - Numbers of Jobs Created – more jobs, the greater the incentives
  - Wage Rates & Fringe Benefits of Jobs – the higher the wages, the greater the incentives
  - Capital Investment Types & Amounts

» Assist companies through:
  - Income Tax Credits – 1% to 10% of project capital expenditures
  - Job Training Funding – depends on jobs/wages
  - Direct Financial Assistance – average of $5,000 to $8,000 per qualifying job
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Foreign Direct Investment in Iowa

- 433 foreign-owned companies in Iowa
- Employing over 43,000 people
- Foreign firms account for 7.1% of Iowa’s manufacturing employment
- Foreign firms in Iowa have $9.4 billion of capital investment
Thank you for considering Iowa

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