



OFFICE OF
THE GOVERNOR

TEXAS ECONOMIC DEVELOPMENT & TOURISM OFFICE

TARC Bi-Annual Staff Training & Annual Board Meeting September 10, 2025



ABOUT US: EDT

EDT: Our Mission

“To positively impact the economic prosperity of Texas”



- Market and promote Texas as a premier business location & tourist destination
- Facilitate new jobs and investment through the location, expansion and retention of national & international investment
- Administer state incentive programs for business and community development
- Provide businesses assistance exporting products & services to international markets
- Serve as a central source of economic research
- Establish strategies to address economic growth in targeted industries



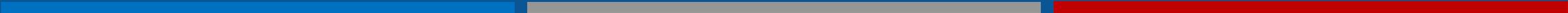
Bigger. Better. Texas.

Blueprint to build a stronger Texas of Tomorrow

Statewide Economic Development
Strategic Plan: 2025 – 2029



Texas Economic Development & Tourism Office
Office of the Governor



Why now?



Texas has enjoyed extraordinary economic success in the past decade under Governor Abbott's leadership.

To maintain our competitive edge, Texas needs a forward-looking strategic plan that guides our actions and offers a vision that economic development partners and organizations across our state can rally around.

This plan reflects Texas' unique approach to economic development—a decentralized approach **creating an environment where Texas communities, industries and businesses can lead the way to growth and prosperity.**

How did we develop the plan?

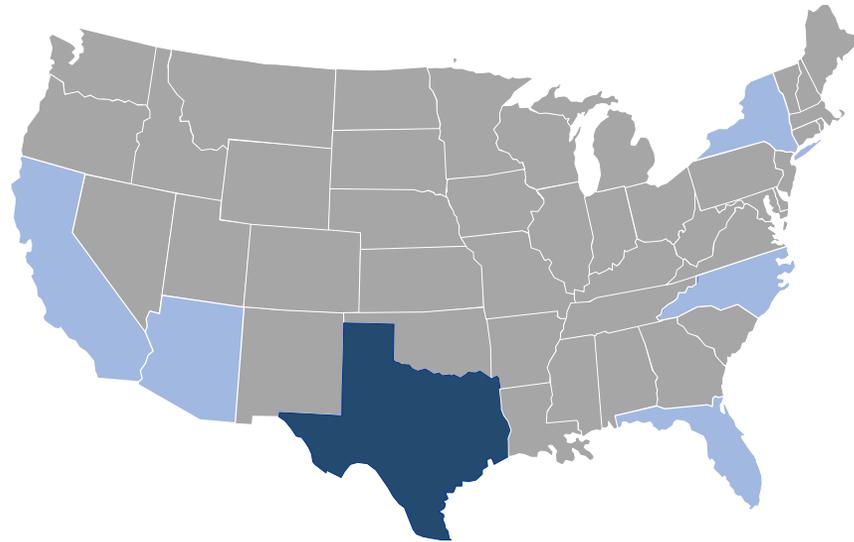
A year-long **collaboration** with state agencies, business and community leaders, regional representatives and statewide associations that included:

- Thorough reviews of **local and regional economic development plans** and **extensive stakeholder engagement**
- In-depth analysis of the current state—and future trajectory of—our Texas economy and workforce, including data on **demographic trends, peer states and countries, industry performance, workforce needs** and the **innovation and entrepreneurship** landscape
- Rigorous evaluation of strong and emerging **industry sectors and clusters**

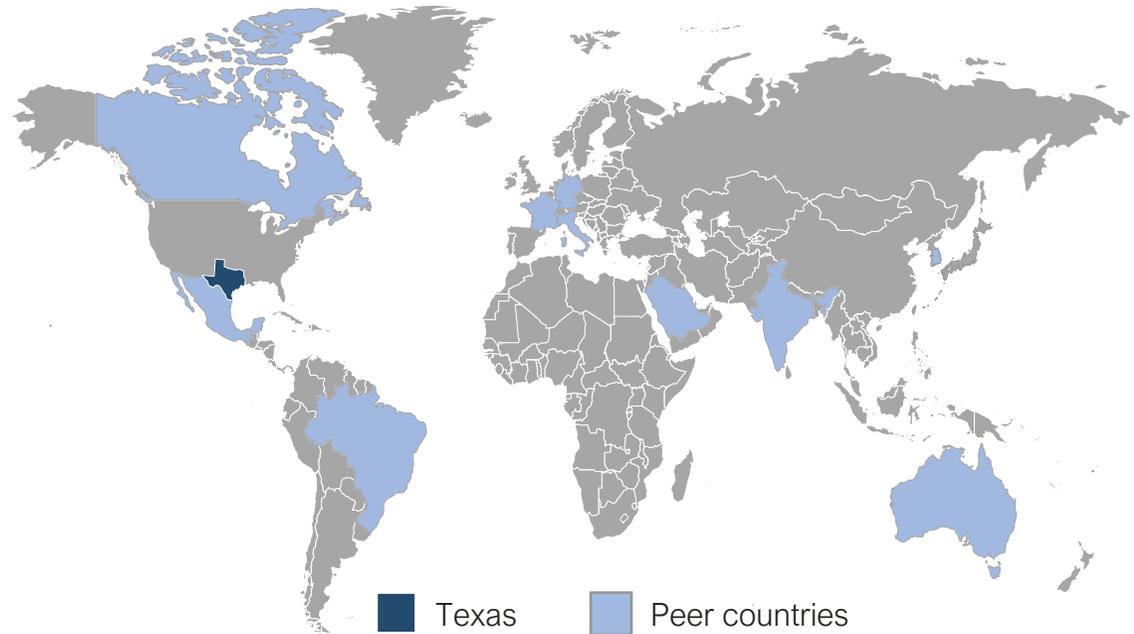
Peer States & Countries

Texas as a National Leader

Texas as a Global Economy



■ Texas ■ Peer states



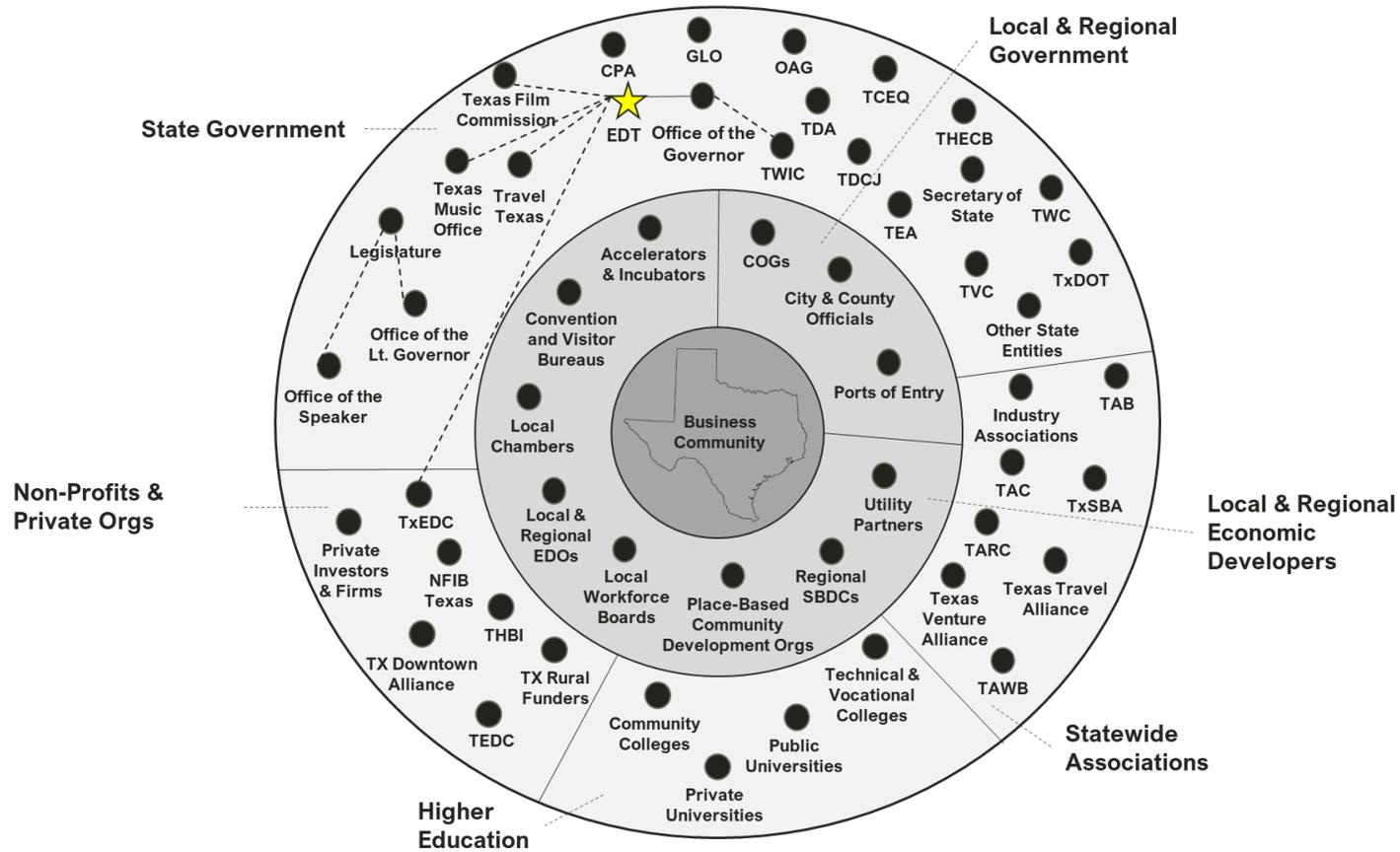
■ Texas ■ Peer countries



What is in the plan?

- **Texas Today:** A snapshot of **our state's economy** through four lenses: businesses and industry; innovation and entrepreneurship; workforce; and infrastructure
- **Better Together:** Illustrating our **interconnected economic development ecosystem** and how each component contributes to Texas' prosperity
- **Blueprint for Stronger Texas of Tomorrow:** A unifying vision for our future economy with **objectives and initiatives** that will help EDT further cement Texas' position as a global leader and the best place to live, work and visit

Economic Development Ecosystem



Economic Pillars

Our efforts will advance regional priorities and target sector growth.

Thriving Businesses & Industries

Strengthen and accelerate economic growth through targeted business support, expansion, attraction and retention efforts.

Lead: EDT will take an active role in leading and coordinating initiatives related to these pillar.

Robust Innovation & Entrepreneurship Ecosystem

Identify and promote assets that foster innovation, incentivize entrepreneurship, and enable Texas to remain a global economic leader.

Nimble Workforce Training Environment

Inform and advocate for resources that prepare the workforce to meet industry needs and drive business growth.

Align and Signal: EDT will support other stakeholders and partners with initiatives related to these pillars.

Resilient Infrastructure Network

Support the development of infrastructure that is resilient and equipped to meet community and industry needs.

Economic Development Regions

Thriving regions are the bedrock of our economy.

Central Texas

Gulf Coast

High Plains

Metroplex

Northwest Texas

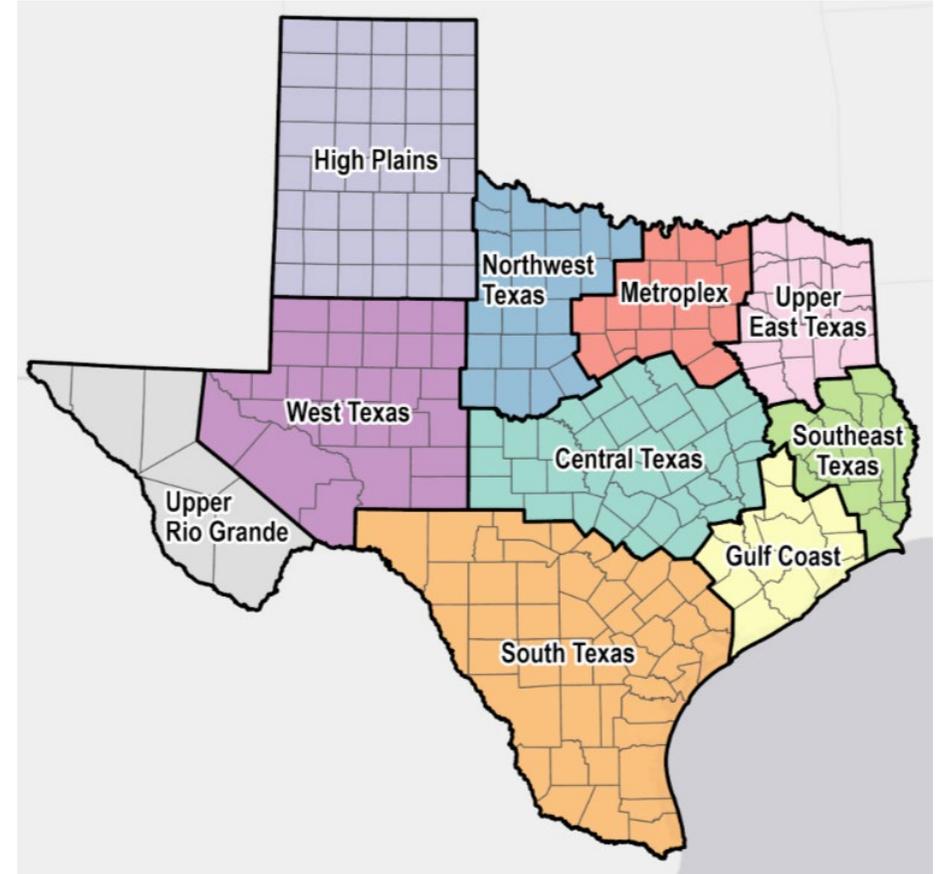
South Texas

Southeast Texas

Upper East Texas

Upper Rio Grande

West Texas



Example: Regional Profile

REGIONAL Profile

Central Texas

Central Texas Counties

Bastrop	Bell	Blanco	Bosque	Brazos	Burleson	Burnet	Caldwell
Concho	Coryell	Falls	Fayette	Freestone	Gillespie	Grimes	Hamilton
Hays	Hill	Kimble	Lampasas	Lee	Loon	Limestone	Llano
Madison	Mason	McCulloch	McLennan	Menard	Milam	Mills	Robertson
San Saba	Travis	Washington	Williamson				

About the Central Texas Region

Nestled among the rolling hills of the Texas Hill Country, the Central Texas region is home to our State Capitol, the snaking Colorado River and its tributaries, miles of rich ranchland, and communities of all sizes ready to welcome visitors with an award-winning plate of Texas barbecue. The region spans nearly 32,000 square miles and is intersected by the I-35 corridor from San Marcos through Austin and up to Waco.

Given its central location, bustling metropolitan areas, and network of highways, the Central Texas region is home to a variety of industries. In addition to being the seat of state government, the capital area has experienced a tech boom, attracting enough tech businesses to earn the nickname "Silicon Hills." Fort Cavazos, the largest military base in Texas, and Camp Mabry are also strategically located here, making the region a growing hub for the defense industry. The region is served by some of Texas' most prestigious higher education institutions, including The University of Texas at Austin, Texas A&M University, Texas State University, and Baylor University, among others.

Central Texas is also home to a wealth of natural landmarks and a rich cultural heritage. From the expansive views provided by Enchanted Rock to the cool waters of the Frio River, and the Texas Wine Trails to the town of West and its famous kolaches, this region has no shortage of parks and attractions, making it one of the most popular tourist destinations in the state.

Central Texas Fast Facts

	Population	Industry	Exports	Workforce
Magnitude	3.8M <small>Population (2021)</small>	\$274B <small>Contribution to GSP (2021)</small>	\$27B <small>Foreign Exports (2021)</small>	2.4M <small>Total Employment (2021)</small>
Share	13% <small>Share of Texas Population (2021)</small>	13% <small>Share of Texas GSP (2021)</small>	11% <small>Share of Texas Foreign Exports (2021)</small>	14% <small>Share of Texas Employment (2021)</small>
Growth	24% <small>Total Population Growth (2011-21)</small>	57% <small>Total GSP Growth (2011-21)</small>	37% <small>Total Foreign Export Growth (2011-21)</small>	30% <small>Total Employment Growth (2011-21)</small>

Data Source: IMPLAN, Data Library, Texas, (2011-21); Quotesthouse Analysis

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REGIONAL Detail

Central Texas

Business and Industry

Top Industry Clusters by LQ (2021)	LQ (2021)	Emp. (2021)	GDP (2021)	Top Industry Clusters by Emp. Growth (2015-21)	Emp. Growth (2015-21)	Emp. (2021)	GDP (2021)
Computers and Electronics Manufacturing	2.19	26,170	\$8,863M	Information Technology and Artificial Intelligence	110%	131,260	\$23,450M
Information Technology and Analytical Instruments	1.94	35,950	\$12,352M	Production Technology and Heavy Machinery	76%	7,880	\$1,538M
Information Technology and Artificial Intelligence	1.86	131,260	\$23,450M	AgTech	74%	175,740	\$27,208M
Nonmetal Mining	1.70	3,210	\$1,287M	Biopharmaceuticals	73%	2,930	\$1,321M
AgTech	1.45	175,750	\$27,208M	Medical Devices	73%	2,680	\$345M

Note: Industry clusters consisting of less than 0.1% of total regional employment are not shown in tables.

Workforce

Top Occupations by LQ (2021)	LQ (2021)	Emp. (2021)	Top Occupations by Emp. Growth (2018-21)	Emp. Growth (2018-21)	Emp. (2021)
Computer Occupations	1.49	82,840	Material Moving Workers	61%	44,210
Postsecondary Teachers	1.36	20,170	Top Executives	43%	30,630
Other Educational Instruction and Library Occupations	1.18	22,430	Business Operations Specialists	39%	61,910
Drafters, Engineering Technicians, and Mapping Technicians	1.17	9,020	Advertising, Marketing, Promotions, Public Relations, and Sales Managers	38%	8,370
Other Teachers and Instructors	1.16	13,610	Operations Specialties Managers	32%	21,640

Note: Occupations that predominantly serve the local community and occupations consisting of less than 0.5% of total regional employment are not shown in tables.

Regional Opportunities

Strengths	Opportunities
<p>Growing Economy Central Texas has experienced rapid growth in recent years, with population growing by 24% from 2011-21 and regional GSP growing by 57% over the same period.</p> <p>Tech-Enabled Central Texas has notable strengths in tech-enabled industries, including computers and electronics, information technology, analytical instruments, semiconductors, and artificial intelligence.</p> <p>Computing Power Central Texas' workforce has a unique concentration in computer occupations and electronic equipment mechanics, which supports the growth of high-tech industries.</p>	<p>The region can continue to expand and diversify its industrial base by targeting emerging industries like biopharmaceuticals and medical devices in addition to building on existing strengths in computers, electronics, and IT.</p> <p>As tech continues to grow as an enabler of global economies, Central Texas has an opportunity to cement itself as a leader in digital innovation across a variety of industries.</p> <p>Central Texas can leverage its robust network of educational institutions to both strengthen the pipeline of talent supporting high tech industries and build out skillsets that enable economic diversification.</p>

Data Source: IMPLAN, Data Library, Texas, (2011-21); Quotesthouse Analysis

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Target Sectors

Our identified target industry sectors and clusters will **drive growth** and **create jobs** for hardworking Texans.

Sector

A group of clusters that are related to one another (e.g., similar industry sectors)

Cluster

A group of industries that are related to one another (e.g., linked supply chain, geographic proximity, similar workforce)

Industry

A group of businesses that produce a similar good or service

Target Sectors & Clusters

 Advanced Manufacturing	 Energy Evolution	 Food & Livestock Products	 Hospitality, Tourism & Culture	 Information Technology
<ul style="list-style-type: none"> • Aerospace Vehicles, Aircraft & Defense • Automotive • Computers, Electronics & Semiconductor Manufacturing • Production Technology & Heavy Machinery 	<ul style="list-style-type: none"> • Electric Power Generation and Transmission • Oil and Gas Extraction, Production and Transportation • Renewables 	<ul style="list-style-type: none"> • Food Processing • Livestock Processing 	<ul style="list-style-type: none"> • Film, Music and Culture • Hospitality and Tourism 	<ul style="list-style-type: none"> • Information Technology & Artificial Intelligence
 Life Sciences & Biotechnology	 Petroleum Refining & Chemicals	 Professional Services & Corporate Operations	 Rare Earth Elements & Mineral Mining	 Transportation & Logistics
<ul style="list-style-type: none"> • Biotechnology, Pharmaceuticals and Medical Devices • Agricultural Science & Technology 	<ul style="list-style-type: none"> • Industrial Chemical Products • Petroleum Refining • Plastics 	<ul style="list-style-type: none"> • Business Services & Corporate Headquarters • Financial Services 	<ul style="list-style-type: none"> • Metal Mining • Nonmetal Mining 	<ul style="list-style-type: none"> • Distribution and E-Commerce • Transportation and Aviation Services

Example: Target Sector Profile

SECTOR Profile

Advanced Manufacturing in Texas

About the Advanced Manufacturing Sector

The Advanced Manufacturing sector includes businesses and industries that use innovative technologies and processes to create products of all kinds. The sector encompasses a broad range of manufacturing activities and outputs and is unified by the incorporation of automation, sensing, and other cutting-edge technologies in production. Within the Advanced Manufacturing sector, the state has identified four target clusters: Aerospace Vehicles, Aircraft, and Defense; Automotive; Computers, Electronics, and Semiconductors; and Production Technology and Heavy Machinery. Texas is a state of doers and makers, and this spirit is reflected in the strength of its Advanced Manufacturing sector. Fueled by its access to domestic and global markets, business-friendly climate, and world-class education programs, Texas is poised to design and build the products of the future.

Advanced Manufacturing Target Clusters

Target Clusters Fast Facts			
	Workforce	GSP	Exports
Magnitude	243K	\$64B	\$27B
	<small>Total Employment (2021)</small>	<small>GSP Contribution (2021)</small>	<small>Foreign Exports (2021)</small>
	Share	7%	9%
<small>Share of U.S. Cluster Total Employment (2021)</small>		<small>Share of U.S. Cluster GSP (2021)</small>	<small>Share of U.S. Cluster Foreign Exports (2021)</small>
Growth		5%	13%
	<small>Total Employment Growth (2011–21)</small>	<small>GSP Growth (2011–21)</small>	<small>Foreign Export Growth (2011–21)</small>

Data Sources: IMPLAN, Regions Industry Data, Texas and United States, (2011–21); Guidehouse Analysis

Sector Opportunities

Strengths	Opportunities
<ul style="list-style-type: none"> Texas has a large, diverse advanced manufacturing industrial base. The state has existing and emerging competitive advantages in a broad range of Advanced Manufacturing industries, spanning from aircraft engines, to automobiles, to semiconductors, to rocket engines. Texas' manufacturing sector spans all stages of the value chain. From research and product design, to the production of goods of all types, to high-value manufacturing supportive services, Texas' Advanced Manufacturing value chain is mature and inter-connected. Texas is a destination for high-value, high-tech manufacturing. In recent years, Texas' Advanced Manufacturing target clusters have shown significant growth in GSP despite slower growth in employment, indicating that the sector is moving toward higher value products. 	<ul style="list-style-type: none"> The state is well positioned to attract, retain, and grow a wide range of advanced manufacturing businesses. Texas' strong supply chains and concentration of manufacturing businesses can continue to spur growth in the sector. Complex manufacturing is expected to grow in Texas. Texas is expected to become an international hub of complex, tech-enabled manufacturing, including aerospace, automotive, semiconductor, and electronic computer manufacturing. The state can continue to invest in the people, businesses, and technology that drive innovation in manufacturing. By advancing R&D and workforce programming, Texas can build on recent productivity gains and define the cutting edge.

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SECTOR Workforce

Advanced Manufacturing in Texas

Target Sector Workforce Landscape

The workforce supporting Texas' Advanced Manufacturing target clusters is relatively specialized. As demonstrated in the chart at right, production occupations represent nearly half of total wage and salary employment in the target clusters, and architecture and engineering occupations represent another 15% of total cluster jobs. These clusters are also supported by operations staff, including management, business, and administrative occupations. Texas' Advanced Manufacturing target clusters require a skilled workforce with a strong understanding of mathematics, computers, electronics, mechanics, and production. In recent years, technological knowledge and skill areas, such as computers, electronics, and programming, have grown in importance to Advanced Manufacturing target clusters. Top occupations and competencies for the target clusters are identified in the tables below.

Workforce Distribution by Occupation Type (2021)

Key Detailed Occupations

Top Detailed Occupations by Employment (2021)	Emp. (2021)	Top Detailed Occupations by Jobs Added (2018-21)	Jobs Added (2018-21)
Assemblers and Fabricators	47,140	Other Production Occupations	4,490
Metal Workers and Plastic Workers	28,490	Business Operations Specialists	1,930
Engineers	25,210	Material Moving Workers	1,640
Other Production Occupations	20,390	Assemblers and Fabricators	1,420
Computer Occupations	14,300	Operations Specialties Managers	540

Key Competencies

Top In-Demand Competency Areas (2021)			High Growth Competency Areas (2018-21)		
Rank	Knowledge Area	Skill Area	Rank	Knowledge Area	Skill Area
1	English Language	Critical Thinking	1	Administration and Management	Quality Control Analysis
2	Mathematics	Active Listening	2	Mechanical	Social Perceptiveness
3	Computers and Electronics	Reading Comprehension	3	Computers and Electronics	Complex Problem Solving
4	Production and Processing	Speaking	4	Public Safety and Security	Negotiation
5	Mechanical	Monitoring	5	Sales and Marketing	Programming

Data Sources: IMPLAN, Data Library, Texas, (2018–21); Guidehouse Analysis

Workforce Themes

<p>Specialized Workforce</p> <p>Nearly half of all Advanced Manufacturing employees are in production occupations.</p>	<p>Technical Skills</p> <p>Advanced Manufacturing businesses require a highly technical workforce.</p>	<p>Growth in Technology</p> <p>Computers, electronics, and programming skills are growing in importance to the sector.</p>
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*Note: Wage and Salary Employment is a headcount of salaried or wage-earning employees. This figure does not include Proprietor Employment, which represents proprietors, partners, and tax-exempt cooperative members.

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Example: Cluster Profiles

CLUSTER Profile

Advanced Manufacturing in Texas

Aerospace Vehicles, Aircraft, and Defense

Texas has a long history of leadership and innovation in the Aerospace Vehicles, Aircraft, and Defense cluster. From one-person planes to military helicopters to the world's most powerful launch vehicle — aerospace products of all types are manufactured in Texas. The state's growing aerospace supply chain, diverse workforce, and efforts in research and development spending make it an ideal place to start and grow an aerospace and defense business.

The Aerospace Vehicles, Aircraft, and Defense cluster includes six industries and encompasses a variety of manufacturing-focused activities, including the production of airplanes, space vehicles, navigation instruments, and other aerospace equipment. Notably, the cluster does not include the air transportation industry, which is located within the Transportation and Aviation Services cluster.

The Northwest Texas and Metroplex regions are hubs of aerospace manufacturing in Texas. Northwest Texas — home to companies such as Pratt & Whitney and Honeywell Aerospace — has a strong concentration of aircraft engine and engine parts businesses and employment. The Metroplex also has a well-established aircraft manufacturing industry, supported by businesses such as Textron, DFS Technologies, and Lockheed Martin.

Other regions have emerging competitive advantages within the cluster, such as the space manufacturing hub growing around SpaceX's Starbase launch site and production facility in Boca Chica. Additionally, the Gulf Coast and South Texas regions have strength in complementary industries that bolster the growth of the Aerospace Vehicles, Aircraft, and Defense cluster, including aerospace maintenance, repair, and overhaul (MRO) operations and government aviation and defense.

Texas is on the cutting edge of the technological and industry trends that are shaping the future of the cluster. Universities across the state are investing in research and development on advancements in new spaces, hypersonics, and advanced air mobility, among others. Texas is also home to multiple state-of-the-art aerospace labs and testing facilities, such as the National Aeronautics and Space Administration's Hypersonics Laboratory at Texas A&M University.

Though cluster employment declined in the period from 2011 to 2021, employment is on the rise in recent years, growing approximately 7% from 2015 to 2021. The cluster is also expected to experience moderate growth in the next 10 years, with cluster GSP estimated to expand by 57% from 2022-32.

Cluster Fast Facts

Workforce	GSP	Exports
51K Total Employment (2021)	\$16B GSP Contribution (2021)	\$10B Foreign Exports (2021)
9% Share of U.S. Cluster Total Emp. (2021)	11% Share of U.S. Cluster Total GSP (2021)	15% Share of U.S. Cluster Total Exports (2021)
-3% Total Employment Growth (2011-21)	37% GSP Growth (2011-21)	285% Foreign Exports Growth (2011-21)

Cluster Employment Concentration (2021)

Data Sources: BPA, ANA, Regions Industry Data, Texas and United States, (2011-21); Commerce Analytics

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CLUSTER Profile

Advanced Manufacturing in Texas

Automotive

For decades, Texas has been an essential player in the U.S. and global Automotive cluster. A strong manufacturing workforce, robust supply chain, and central location make Texas an attractive destination for manufacturers of products ranging from passenger vehicles to heavy duty trucks. Private investment in research and development and a strong STEM workforce also keep Texas' auto manufacturers at the forefront of cluster trends and innovation.

The Automotive cluster includes 16 industries that cover a variety of auto manufacturing activities, including upstream activities such as metal foundries and custom roll forming, motor vehicle component manufacturing such as body manufacturing and engine manufacturing, and auto and truck manufacturing and assembly. Notably, the cluster does not include the sale of motor vehicles or ground transportation activities, both of which are located within the Transportation and Logistics sector.

South Texas has the highest automotive manufacturing concentration in the state, driven by a major Toyota manufacturing plant in San Antonio and bolstered by interconnectivity with automotive manufacturing activities in northern Mexico. Texas' automotive manufacturers are supported by a diverse network of suppliers, automotive parts suppliers like Toshiba, Aisin, Visteon, Navistar, and Continental build the strength and sustainability of Texas' automotive cluster.

Other regions across the state are also building budding concentrations of automotive manufacturing businesses. The Metroplex region has highly concentrated automobile manufacturing and automobile electronics industries and is home to major factories for General Motors and Polestar. In 2021, Tesla opened its Gigafactory in Central Texas, making the region a hub for next-generation automotive engineering and manufacturing.

Texas is driving the future of the Automotive cluster. University centers such as the University of Texas at Austin Center for Transportation Research and Texas A&M Transportation Institute are leading the conversation on cluster trends, including autonomous and electric vehicles. Companies across Texas are also pioneering self-driving technologies — operating driverless vehicles for transport and delivery.

Employment in the Automotive cluster in Texas grew 21% from 2011 to 2021. Productivity increased notably over the same period, with an 80% growth in GSP, likely due to the increased prevalence of automation and other advanced technology in automotive production processes. The cluster is expected to continue to grow, with a projected GSP growth of 59% from 2022 to 2032.

Cluster Fast Facts

Workforce	GSP	Exports
38K Total Employment (2021)	\$14B GSP Contribution (2021)	\$3B Foreign Exports (2021)
4% Share of U.S. Cluster Total Emp. (2021)	8% Share of U.S. Cluster Total GSP (2021)	4% Share of U.S. Cluster Total Exports (2021)
21% Total Employment Growth (2011-21)	80% GSP Growth (2011-21)	-30% Foreign Exports Growth (2011-21)

Cluster Employment Concentration (2021)

Data Sources: BPA, ANA, Regions Industry Data, Texas and United States, (2011-21); Commerce Analytics

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CLUSTER Profile

Advanced Manufacturing in Texas

Computers, Electronics, and Semiconductors

The Texas Computers, Electronics, and Semiconductors cluster has a storied past and bright future. Texas is known for excellence in electronics, when asked to picture a calculator, many would think of the Texas Instruments TI brand, an essential tool for generations of math students. Today, the Computers, Electronics, and Semiconductors cluster continues to flourish in Texas, due to the presence of major industry players, a strong pool of engineering talent, and strategic investments by the state.

The cluster includes 20 industries which span the computer, electronic, and semiconductor supply chain. Activities in this cluster include the production and assembly of electronics, computers, and semiconductors as well as the manufacturing of components such as wiring devices, fiber optic cables, carbon and graphite products, and other equipment.

Central Texas and the Metroplex are major hubs of the Computers, Electronics, and Semiconductors cluster in Texas. Central Texas is home to Dell, which was founded in a dorm room at the University of Texas at Austin, as well as other computer and semiconductor manufacturers including Samsung, National Instruments, Silicon Labs, and TDP. The Metroplex region also has a robust computer manufacturing industry and is home to a number of large businesses such as Texas Instruments.

The semiconductor industry is a bright spot of growth within an already strong cluster. Texas has led the nation in semiconductor exports for 13 years. New and expanding companies are driving growth at the regional level, including Samsung, which is currently constructing a major manufacturing facility in Taylor. SK hynix is also poised to become a chip manufacturing hub, with major investments in the region by Texas Instruments and GlobalFoundries. Significant federal and state investments will further accelerate semiconductor industry growth. In June 2023, Governor Abbott signed the Texas CHIPS Act to encourage semiconductor-related companies to expand in the state, further develop the expertise and capacity at Texas higher education institutions, and maintain the state's leadership in semiconductor manufacturing. The Texas CHIPS Act also established the Texas Semiconductor Innovation Consortium and the Texas Semiconductor Innovation Fund, which will be administered by the Texas CHIPS Office — a newly formed division within Texas Economic Development & Tourism.

Though cluster employment was largely flat from 2011 to 2021, the cluster is primed for future growth. The cluster is expected to grow steadily in the coming decade, with a projected GSP growth of 46% between 2022 and 2032.

Cluster Fast Facts

Workforce	GSP	Exports
85K Total Employment (2021)	\$23B GSP Contribution (2021)	\$8B Foreign Exports (2021)
9% Share of U.S. Cluster Total Emp. (2021)	9% Share of U.S. Cluster Total GSP (2021)	9% Share of U.S. Cluster Total Exports (2021)
0% Total Employment Growth (2011-21)	-17% GSP Growth (2011-21)	-27% Foreign Exports Growth (2011-21)

Cluster Employment Concentration (2021)

Data Sources: BPA, ANA, Regions Industry Data, Texas and United States, (2011-21); Commerce Analytics

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CLUSTER Profile

Advanced Manufacturing in Texas

Production Technology and Heavy Machinery

The Production Technology and Heavy Machinery cluster is critical to the state, national, and global economy. Industries of all types rely on the products manufactured in the cluster, which range from the cranes that construct Texas' iconic skylines to the farm machinery that keeps food on our tables. The state's robust supply chain and large workforce make Texas an ideal location for Production Technology and Heavy Machinery businesses to locate and grow.

The Production Technology and Heavy Machinery cluster consists of 34 industries encompassing a broad range of technology and machinery types. Cluster industries include equipment production, such as farm machinery, mining machinery, and other industrial machinery, as well as upstream activities such as ball and roller bearing manufacturing, valve and fitting manufacturing, and fabricated metal manufacturing.

East Texas, particularly the Upper East, Southeast, and Gulf Coast regions, are hubs of production technology and heavy machinery manufacturing, with strength in the Air and Gas Compressor Manufacturing and Mining Machinery Manufacturing industries. South Texas is home to several Caterpillar manufacturing facilities in San Antonio, Schertz, Seguin, and Victoria. Other production technology and heavy machinery companies, including Komatsu, Parker Hannifin, JCB, and Johnson Controls, also maintain significant presences across the state.

Production Technology and Heavy Machinery companies are driving innovation in Texas' Advanced Manufacturing sector. John Deere recently launched an innovation hub in Austin that will bring advanced technological solutions such as automation and autonomy to the agriculture industry. Innovative companies within the cluster come to Texas to pioneer state-of-the-art technologies that improve the efficiency of production and the effectiveness of heavy machinery, drawn in by Texas' pool of top and engineering talent, startup community, leading universities, and software and data analytics expertise.

Between 2011 and 2021, the Texas Production Technology and Heavy Machinery cluster grew steadily in both employment and GSP. The cluster is also poised for future growth, with a projected 21% in GSP growth from 2022 to 2032. Industry players are continuing to make investments in the state, and Texas' growing population will drive demand for the production technology and heavy machinery required to expand and fortify the state's infrastructure.

Cluster Fast Facts

Workforce	GSP	Exports
70K Total Employment (2021)	\$11B GSP Contribution (2021)	\$6B Foreign Exports (2021)
7% Share of U.S. Cluster Total Emp. (2021)	7% Share of U.S. Cluster Total GSP (2021)	7% Share of U.S. Cluster Total Exports (2021)
10% Total Employment Growth (2011-21)	8% GSP Growth (2011-21)	1% Foreign Exports Growth (2011-21)

Cluster Employment Concentration (2021)

Data Sources: BPA, ANA, Regions Industry Data, Texas and United States, (2011-21); Commerce Analytics

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EDT DIVISIONS

Office of the Governor Texas Economic Development & Tourism Office

The Texas Economic Development & Tourism Office (EDT) promotes the state of Texas as a leading global business location and premier travel destination.



**Business &
Community
Development**

**Economic
Development
Finance**

**Texas
CHIPS
Office**

**Texas
Workforce
Investment
Council**

**Texas
Music
Office**

**Travel
Texas**

**Texas Film
Commission**

Business & Community Development (BCD)

BCD focuses on the creation of new jobs and investment through domestic and international business recruitment, expansion and retention; increasing Texas exports; and small business development and entrepreneurship.

- Business Recruitment
- Business Retention & Expansion
- Regional Offices
- Small Business & Permit Assistance
- Economic Research
- International Trade
- Marketing & Promotion

Business and Industry

The Business and Industry team promotes Texas as the premier business investment destination and assists with the expansion and relocation of companies to the state. Industry Recruitment Specialists coordinate the site selection process and connect businesses with the resources needed to be successful in Texas.

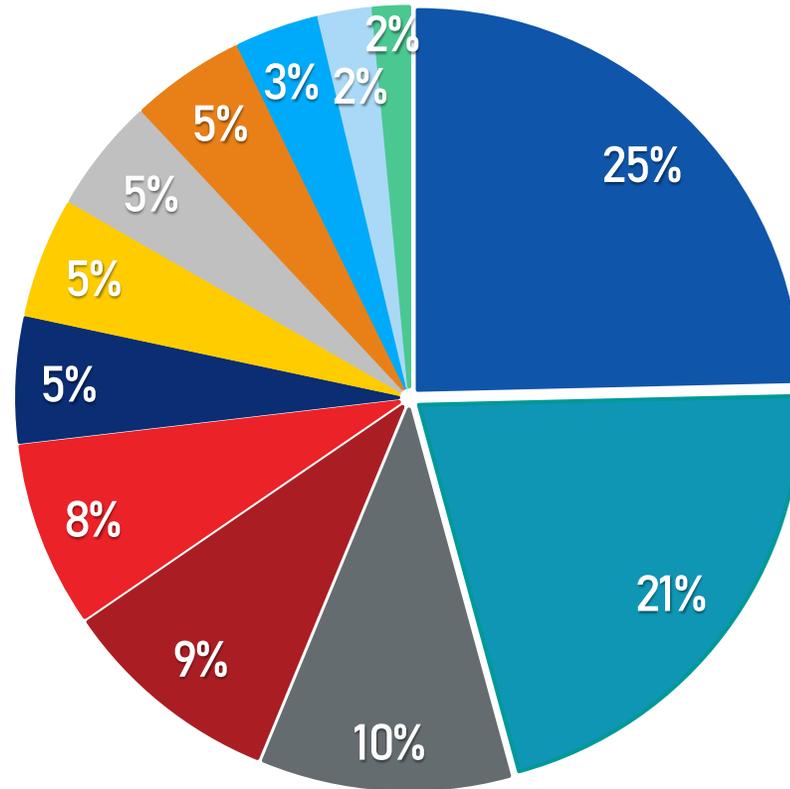
They also assist in fostering the growth of industry clusters and serve as liaisons to industry allies statewide.

- Recruitment of prospective businesses
- Project management
- Site selection assistance
- Business retention
- Industry engagement and outreach
- Industry cluster research
- Subject-matter expertise
- Office of Aerospace & Aviation

Business Development Update

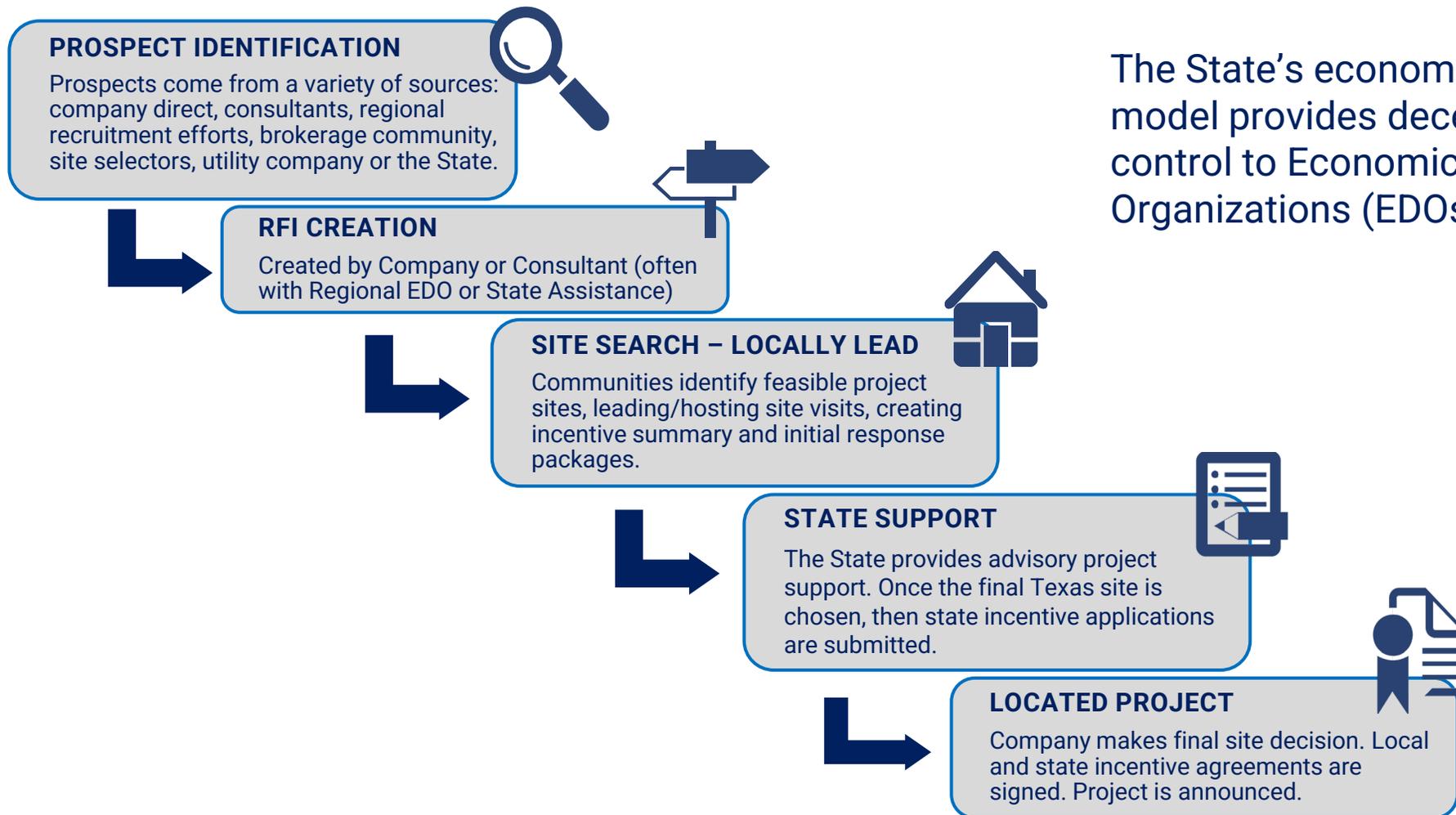
INDUSTRY OVERVIEW

ACTIVE PROJECTS



- General Manufacturing
- Advanced Technology & Manufacturing
- Energy
- Petroleum Refining & Chemical Products
- Aerospace, Aviation & Defense
- Biotechnology & Life Sciences
- Food & Agriculture
- Automotive Manufacturing
- Information & Computer Technology
- Other
- Corporate Services
- Distribution & Supply Chain

Texas Economic Development Model



The State's economic development model provides decentralized and local control to Economic Development Organizations (EDOs).

Office of Small Business Assistance

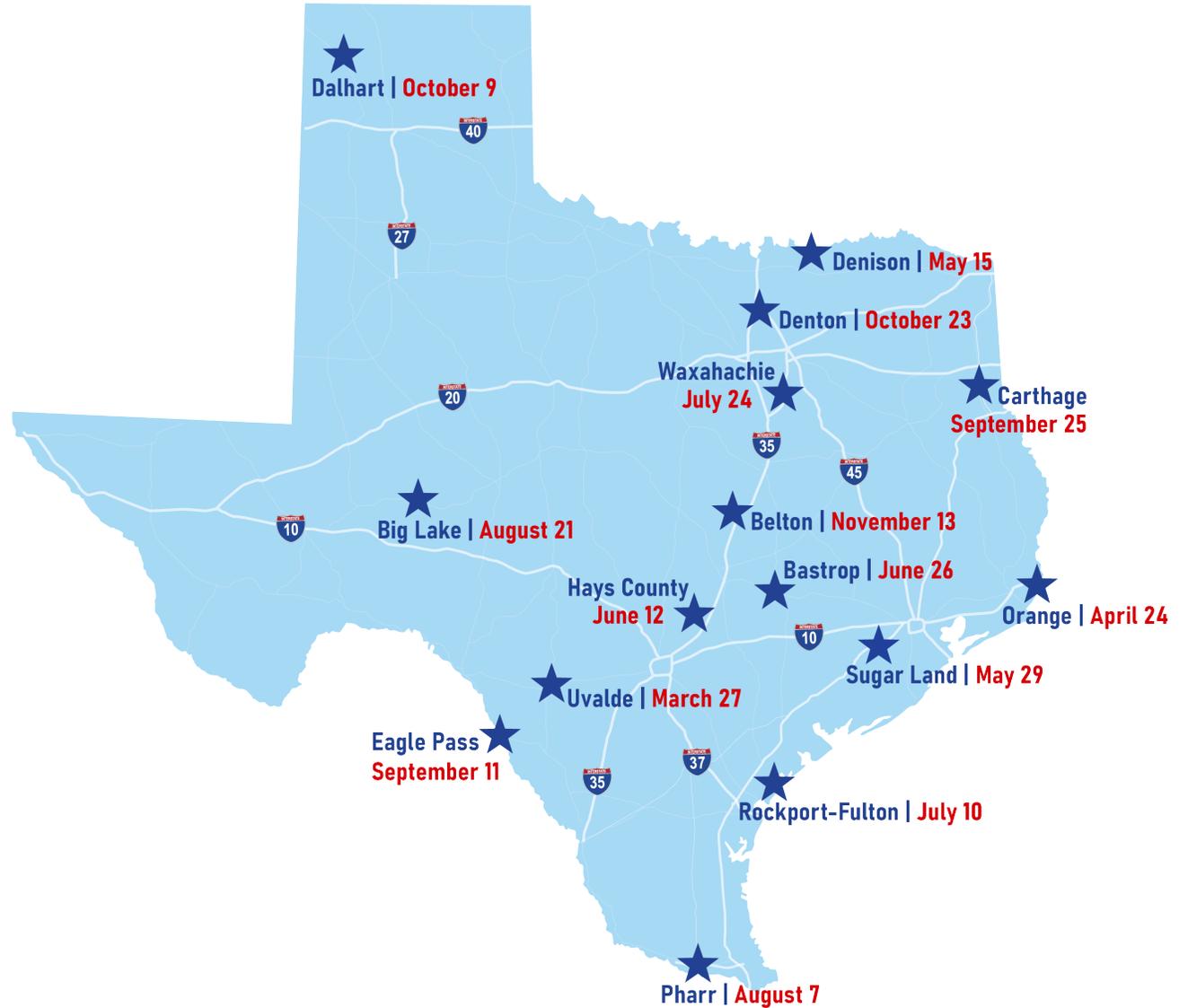
The Office of Small Business Assistance serves as the principal resource for small businesses and entrepreneurs in Texas. The team provides opportunities for effective education, training, management and technical assistance to entrepreneurs and small businesses in the state. The office is a comprehensive clearinghouse of resources to help entrepreneurs and small business owners start, grow and sustain their businesses.

- Governor's Small Business Summits
- Webinar Series
- The Governor's Small Business Resource Portal
- Small Business Handbook
(“Start a Business in Texas”)
- Innovation and Entrepreneurship Catalog
(“Start a Business in Texas”)
- Small Business Snapshot
(gov.texas.gov/business/page/subscribe)
- Research and studies
- Technical business assistance

gov.texas.gov/smallbusiness

STATE OF TEXAS | 2025 GOVERNOR'S
**SMALL BUSINESS
SUMMIT**

There are 15 Governor's Small Business Summits held throughout the year in regions across the state! Join us by scanning the QR code below:



Business Permit Office

The Business Permit Office (BPO) assists businesses of all sizes in navigating Texas' permitting, licensing and regulatory environment and aids in resolving permitting issues that arise.

- Ombudsman/liaison for permitting and licensing assistance
- Comprehensive Texas permit guide by business type
"Texas Business Licenses and Permits Guide"

gov.texas.gov/smallbusiness
("Business Permit Office")

International Business & Trade

The International Business & Trade team helps Texas companies looking to do business internationally. The team also assists foreign companies that are looking to expand or relocate to the Lone Star State.

Initiatives:

- Texas Export Assistance Program
- International Business Development Missions
- State of Texas Mexico Office (STM0)
- State of Texas Taiwan Office (STTO)
- State of Texas Israel Office
- State of Texas UK Office

Research & Economic Analysis

Research & Economic Analysis supports all areas of EDT. The team is responsible for data mining, industry analysis and GIS mapping in support of business and community development efforts. Research Specialists conduct research and coordinate and disseminate economic development data, reports, trends and analysis.

Research collects data and produces:

- Texas economic overviews
- FDI in Texas analysis
- Texas industry profiles
- Workforce reports
- Texas rankings
- Business climate comparisons
- Specialized reports
- Governor's Cup data aggregation

Marketing

The Marketing team coordinates outreach and communication efforts for BCD, promoting Texas as the best place for business. The team manages all online platforms, produces promotional materials and compiles reports for all BCD needs.

Content Produced:

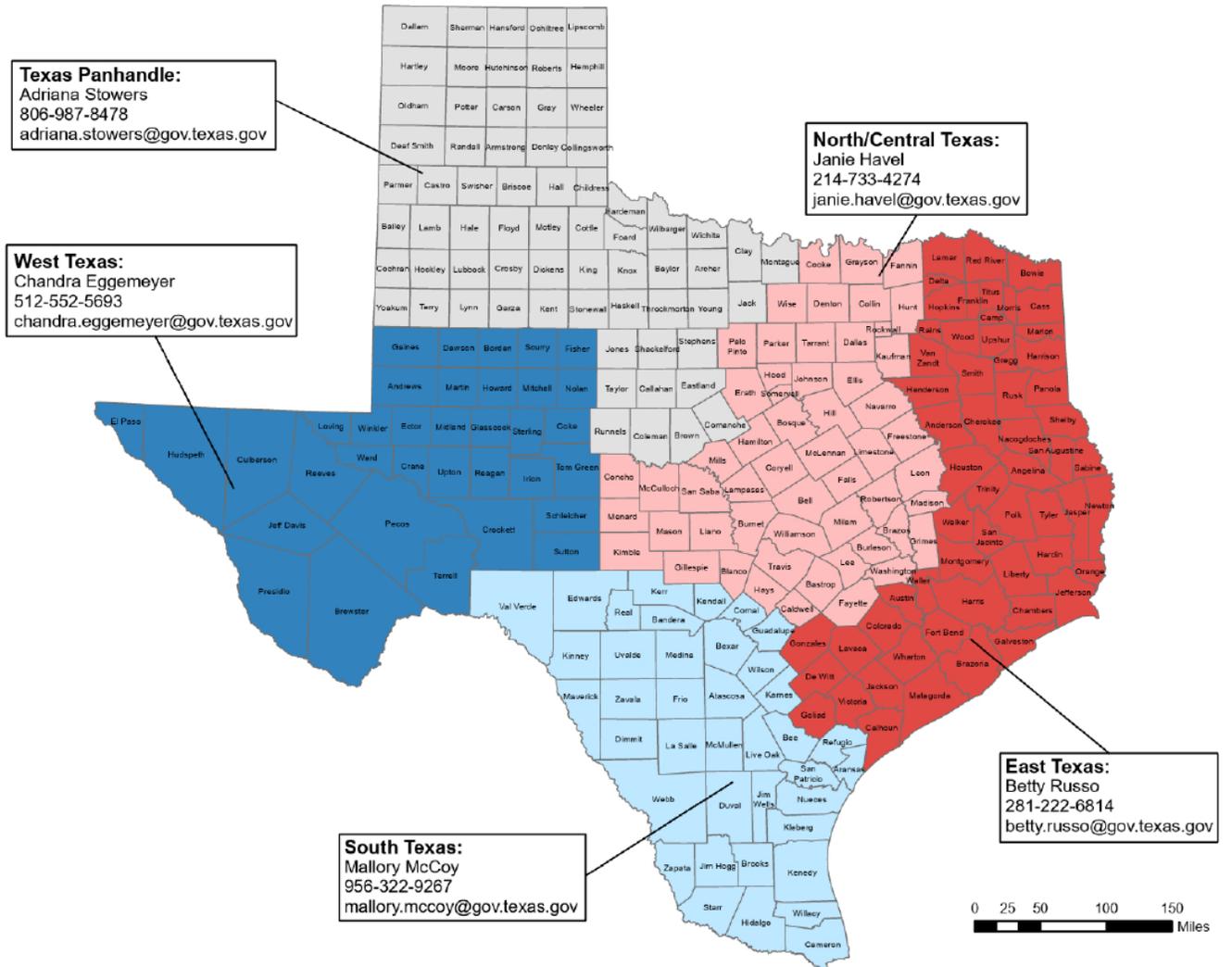
- Industry Reports & Publications
- Trade Show & Event Marketing
- Newsletters & Agency Updates
- Web & Social Media Content
- Social Media Channels Managed:

     @TexasEconDev

Community Relations

EDT Regional Representatives are located in five regions across Texas.

- Work directly with the local governments and stakeholders to increase economic development capacity,
- Organize workshops, and
- Provide stakeholders with updates on state programs and resources.



TEXAS ECONOMIC DEVELOPMENT — FY 2024 — YEAR IN REVIEW

OPEN

THE BUSINESS & COMMUNITY DEVELOPMENT TEAM ASSISTED WITH:

265 INVESTMENT PROSPECTS

45 PROJECTS ANNOUNCED

EXPECTED TO CREATE AT LEAST:

9,579 NEW JOBS



\$12.8B IN CAPEX



738 BUSINESS ASSISTANCES

732 PERMIT ASSISTANCES

60 INDUSTRY ENGAGEMENTS

601 COMMUNITY ENGAGEMENTS

13,041  The Governor's Small Business Resource Portal
SMALL BUSINESS RESOURCE PORTAL ENGAGEMENTS



THE OFFICE OF SMALL BUSINESS ASSISTANCE HOSTED

14 SMALL BUSINESS WITH **+3,224** REGISTRANTS
EVENTS & WEBINARS

MARKETING EFFORTS RESULTED IN:

453,138 TOTAL USERS
666,191 TOTAL PAGEVIEWS
79,580 FILE DOWNLOADS

AT [GOV.TEXAS.GOV/BUSINESS](https://gov.texas.gov/business)

2024 Announcements



SēAH



8 RIVERS



soubrain
holdings

Spectrum



E-SPACE



EASTMAN



BALLARD



QYK

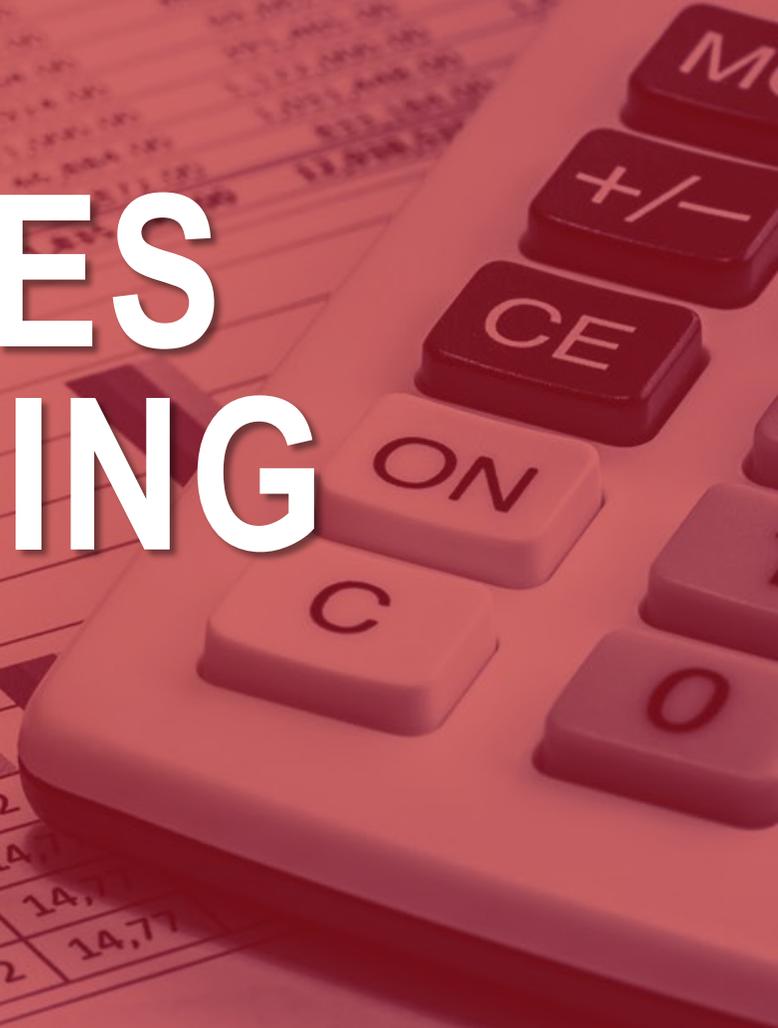


:ubiquity





INCENTIVES & FINANCING



Incentives & Financing

COMMUNITY INCENTIVES

- Local funding to business-related infrastructure and recruitment, equipment, land and economic development purposes
- Property tax abatements
- Permitting fee waivers
- Local cash grants and agreements
- Type A and Type B funding

GRANTS

- Cancer Prevention & Research General Obligation Bonds
- The Defense Economic Adjustment Assistance Grant Program (DEAAG)
- Governor's University Research Initiative (GURI)
- Lonestar Workforce of the Future Fund (LSWF)
- Skills Development Fund
- Self-Sufficiency Fund
- Space Exploration & Aeronautics Research Fund (SEARF)
- Texas Enterprise Fund (TEF)
- Texas Moving Image Industry Incentive Program
- Texas Music Venue Incubator Rebate Program
- The Texas Semiconductor Innovation Fund (TSIF)

TAX INCENTIVES

- Ad Valorem/Property Tax Exemptions
- Chapter 380/381
- Economic Development & Diversification In-State Tuition for Employees
- Franchise Tax Deduction for Business Relocation
- Media Production Development Zone Program
- Medical or Biomedical Property Tax Exemption
- Renewable Energy Incentives
- Research & Development Tax Credit
- State Sales & Use Tax Exemptions
- Texas Jobs, Energy, Technology & Innovation Act (Chapter 403/JETI)
- Texas Enterprise Zone Program

FINANCING

- Industrial Revenue Bonds (IRBs)
- The Texas Military Value Revolving Loan Fund (TMVRLF)
- Texas Small Business Credit Initiative (TSBCI)
- Texas Micro-Business Disaster Recovery (MBDR) Loan Program
- Texas Energy Fund



Thank you!

Annie Dennis

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512-463-8475

Office of the Governor

Texas Economic Development & Tourism Office

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512.936.0100 | gov.texas.gov/business |      @TexasEconDev



Questions?