



**OFFICE OF THE
GOVERNOR**

ECONOMIC DEVELOPMENT & TOURISM

Texas & Hungary FDI in the time of COVID-19

February 10, 2021



ABOUT EDT

OFFICE OF THE GOVERNOR

ECONOMIC DEVELOPMENT & TOURISM



**Business &
Community
Development**

**Economic
Development
Finance**

**Texas
Workforce
Investment
Council**

**Texas Music
Office**

**Travel
Texas**

**Texas Film
Commission**

The Governor's Economic Development and Tourism Office (EDT) promotes the State of Texas as a leading global business location and premier travel destination.



**ECONOMIC
DEVELOPMENT
& TOURISM:
OUR MISSION**

*To positively impact
the prosperity of
economic 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.**

BUSINESS & COMMUNITY DEVELOPMENT

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



ECONOMIC DEVELOPMENT FINANCE

ECONOMIC DEVELOPMENT FINANCE (EDF) PROGRAMS

ED Finance provides globally competitive, cost-effective financial tools and incentives to support and facilitate business expansion and relocation to Texas, ensuring Texas communities and businesses have access to capital for economic development purposes.

- Texas Enterprise Fund
- Texas Enterprise Zone Program
- Product Development & Small Business Incubator Fund
- Events Trust Fund
- Spaceport Trust Fund
- Capital Access Program
- Governor's University Research Initiative (GURI)
- Major Events Reimbursement Program



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WHY TEXAS?

ECONOMIC STRENGTH



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



Texas is the nation's leader in job growth for 2019, adding 286,600 jobs.



In 2020, Texas was the nation's top exporter for the 19th year in a row with exports valued at \$279.3 billion.

9th

Texas is the 9th largest economy in the world based on GDP, ahead of Australia, Mexico, South Korea and Russia.
(if Texas were a nation)



14 MILLION

Texas has the second largest civilian workforce in America – more than 14 million industrious people.



Texas ranks #1 in the nation for foreign trade zone activity (imports and exports).



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DIVERSE & GROWING WORKFORCE



Over **14 million** strong, Texas' civilian workforce is the **second largest in the nation** and continues to be the fastest growing.

- Texas is a popular location for talent to relocate.
- The state's population grew by more than **367,000** in 2019 alone and brought the total number of residents to nearly **29 million**.
- U-Haul saw **more incoming one-way truck rentals to Texas** than any other state in 2016, 2017 and 2018.



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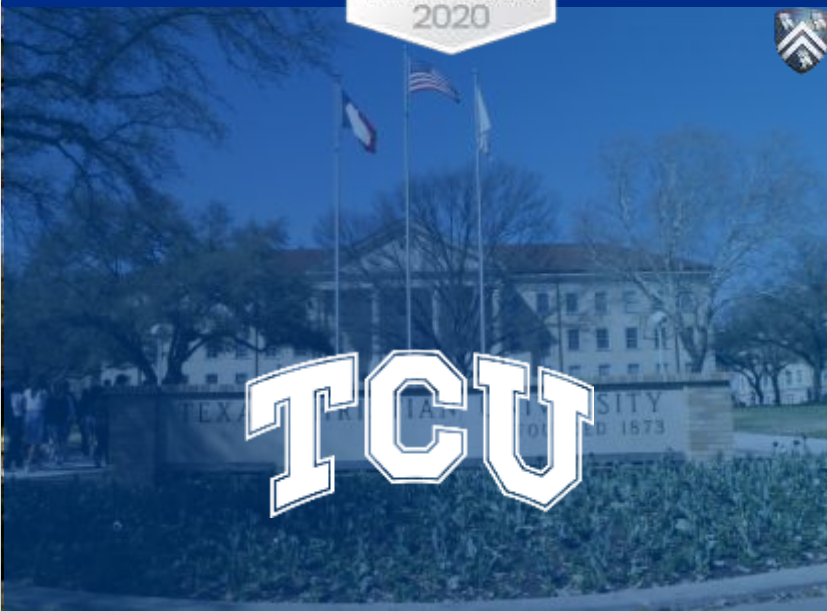
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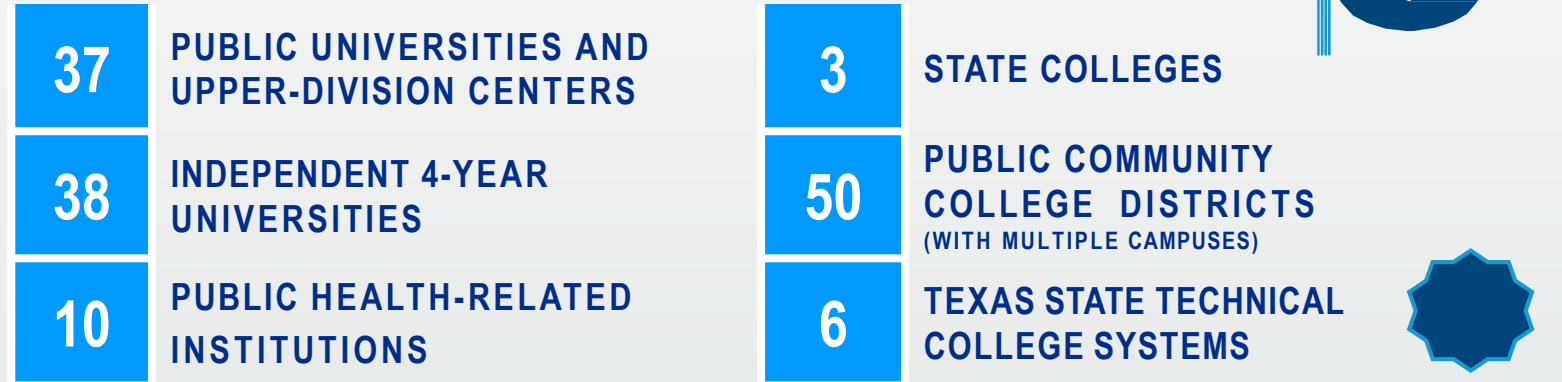
Texas universities ranked among top 100 in the U.S.

-U.S. News & World Best Colleges Report 2020



HIGHER EDUCATION

Texas has 148 higher education institutions that vary in size and program specializations but are all united by one commonality: producing top talent across the state.



Texas universities and research institutions are **national and global leaders in R&D** in many industries, including electronics, medical, biotechnology, aerospace, advanced materials, and energy.

Texas is nationally ranked for academic R&D expenditures with **\$4.4 billion expended**.



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LOCATION



This map shows (roughly) how large the Lone Star State is. Points in the map's red section are closer to *somewhere* in Texas than the opposite sides of Texas are to each other.

INFRASTRUCTURE

MULTIMODAL ACCESS TO THE WORLD

Reach all major domestic and international markets from Texas by land, sea and air. Texas' central location, ports, and investment in road, rail and air networks has put it above all other states when it comes to the movement of people and goods.

380+ airports, 26 commercial airports



10,469 miles of freight rail, more than any state



TEXAS HAS 16 SEAPORTS, INCLUDING 11 DEEP SEAPORTS.



MORE THAN 313,220 MILES OF PUBLIC ROADS CONNECT TEXAS, MORE THAN ANY STATE

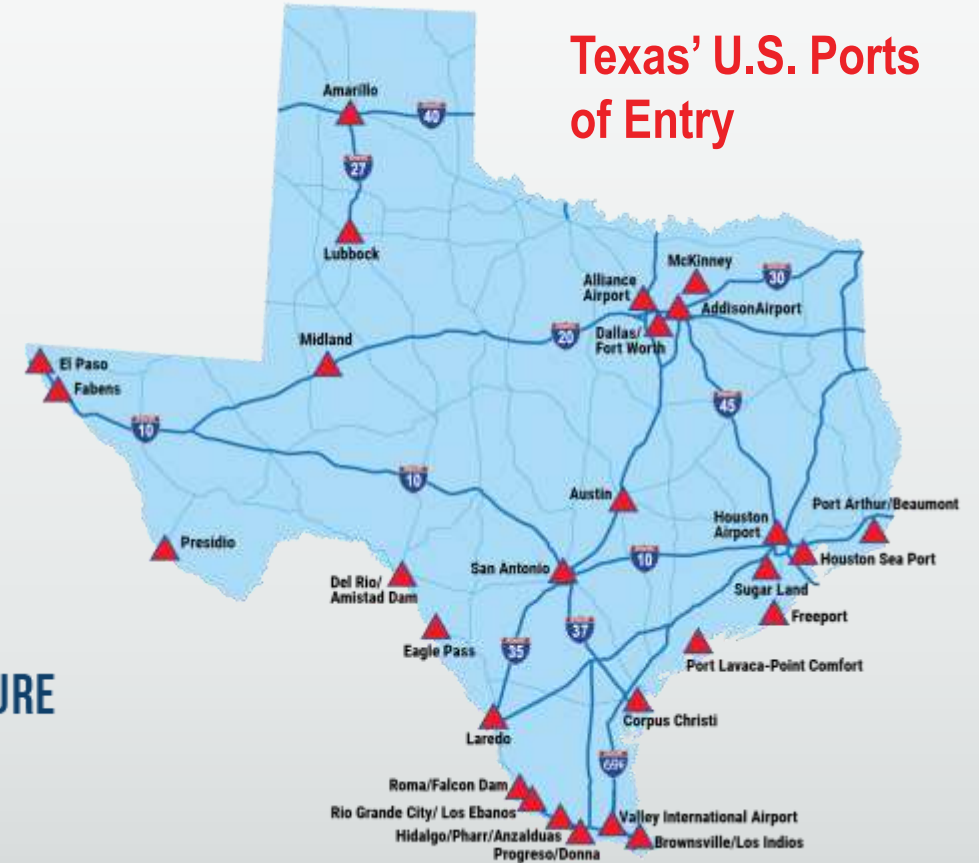




TEXAS PORTS OF ENTRY

DYNAMIC TRANSPORTATION NETWORK

Texas offers international companies approximately 29 ports of entry. And the state's transportation network just keeps getting stronger.



\$70 BILLION



10-YEAR COMMITMENT TO NEW STATE ROADWAY PROJECTS



A+ 2018 INFRASTRUCTURE SCORE



SEAPORTS & FTZS

EASY ACCESS TO THE WORLD

Texas' seaports and Foreign Trade Zones (FTZs) are among those handling some of the nation's top amounts of cargo.

With 16 seaports, including 11 deep water ports with channels at least 30 feet deep, Texas ranks as the top U.S. state for manufacturing exports and shipment value.

33 FTZs allow the flow of goods without formal customs entry, import quotas or most other restrictions.



Seaports



Foreign Trade Zones



AIRPORTS

CONNECTION TO MAJOR MARKETS

In Texas, 380 airports, including 26 commercial airports, make up the second-largest state airport system in the U.S.

Texas is home to six of the top 50 busiest airports in the country, by annual passengers boarded.

Texas has more airports than any other state, two international airline headquarters and a major hub for a third.



Texas' largest Airport, DFW International, was named the 2019 Global Airport of the Year.



INTERNATIONAL TRADE & FDI



Texas continues to rank as the number one exporter in the U.S. for 19 straight years. The Lone Star State exported more than \$279.3 billion in goods in 2020 and continues to be a global leader in international trade.



For the 8th consecutive year, Texas leads the nation in high-tech exports, totaling \$44.9 billion



Texas' top export markets include Mexico, Canada, Brazil, China, and South Korea.



Texas is a top-ranked destination for foreign direct investment (FDI) and leads the nation in jobs supported by exports at more than 910,000 jobs.

INTERNATIONAL COMPANIES IN TEXAS

Texas is the **#1** destination state for foreign investment ranked by capital expenditure.



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LOW TAX BURDEN

THE NATION'S TOP CORPORATE TAX ENVIRONMENT



With no corporate or personal income tax, Texas has one of the lowest tax burdens in the nation.

Top ranked by Area Development Magazine, Texas' tax climate is a significant benefit for companies.

Governor Abbott and the Texas Legislature continue efforts to make the state even more competitive from a tax perspective:

- **Franchise tax reduction:** 25% reduction in the franchise tax
- **Property tax reform:** Reduction of property taxes and limit on the ability for local governments to increase property taxes
- **No personal income tax:** Constitutional ban on personal income tax



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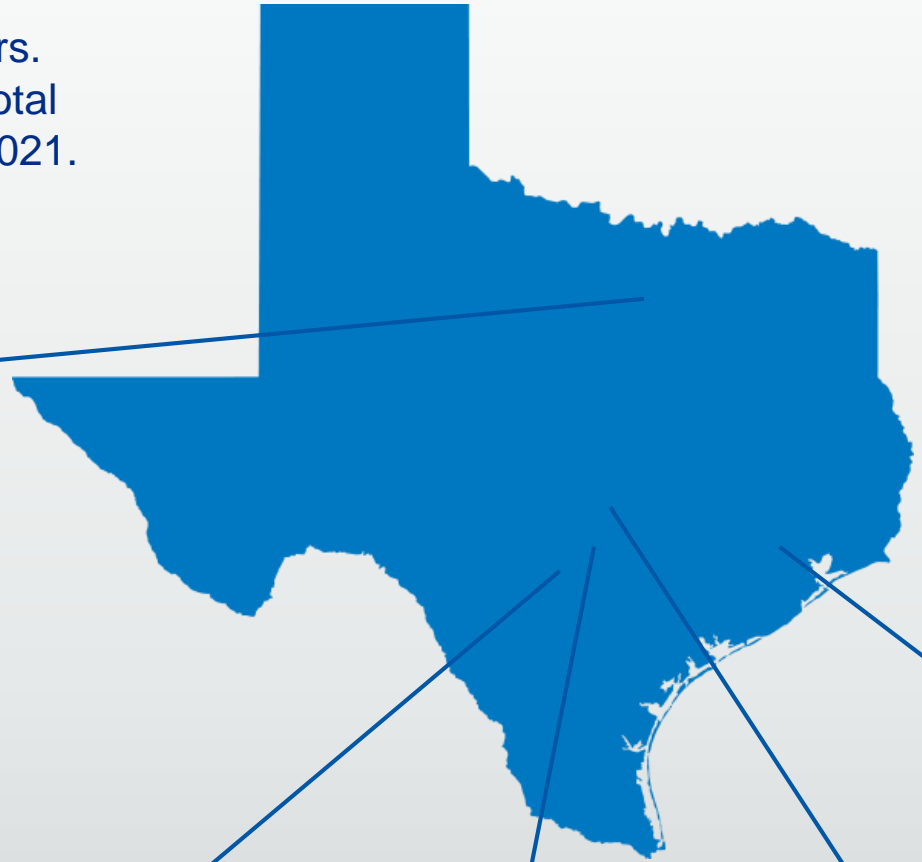
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FORTUNE 500 COMPANIES IN TEXAS

In 2020, Texas was home to 50 Fortune 500 headquarters. With many firms continuing to relocate to the state, the total number of Fortune 500 HQs is expected to increase in 2021.



RECENT RELOCATIONS

CBRE

ORACLE

Hewlett Packard Enterprise

charlesSCHWAB

ExxonMobil **Yum!** **at&t**
PIONEER **jcp** **VICTRA ENERGY**
Kimberly-Clark **American Airlines**
Celanese **tenet HEALTH** **JACOBS**
FLUOR **Dean FOODS** **MCKESSON**
GameStop **Core-Mark** **HOLLYFRONTIER CORPORATION**
Builders FirstSource **ENERGY TRANSFER** **CNC Commercial Metals**
Southwest **TEXAS INSTRUMENTS** **D-R-HORTON America's Builder** **ENLINK MIDSTREAM**

PHILLIPS 66 **ConocoPhillips**
NOV **Westlake Chemical**
GROUP 1 AUTOMOTIVE **CenterPoint Energy**
WM **eog resources**
Sysco **KINDER MORGAN**
QUANTA SERVICES **CROWN CASTLE**
CHENIERE **PLAINS GP HOLDINGS**
CALPINE **Baker Hughes**
Apache **TARGA**
HALLIBURTON **OXY**
HUNTSMAN

VALERO **USAA**

RUSH ENTERPRISES

DELL

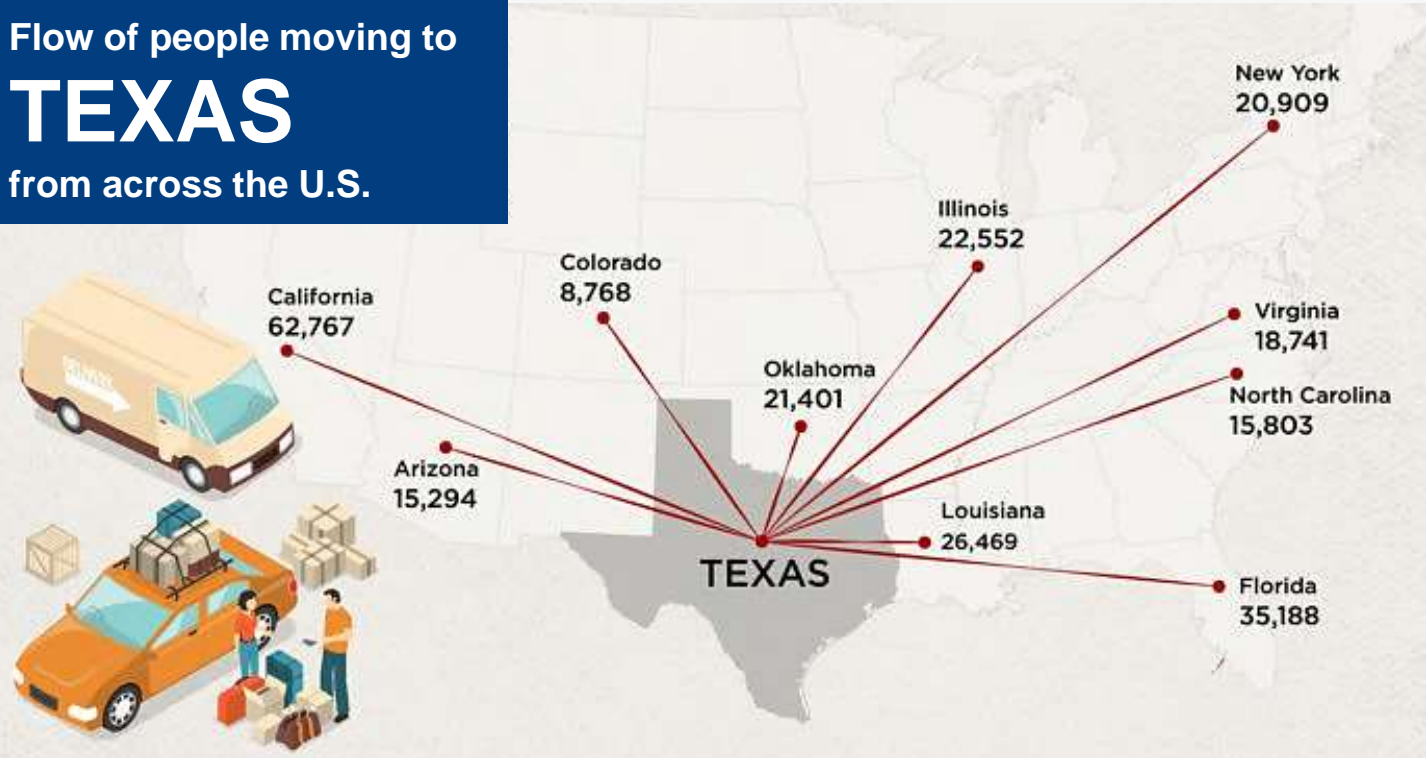


POPULATION GROWTH

Texas ranked **#1** in the country for **population growth** in 2019.

STATE	NET INBOUND MIGRATION
Texas	367,215
Florida	233,420
Arizona	120,693
North Carolina	106,469
Georgia	106,292
Washington	91,024
Colorado	67,449
South Carolina	64,558
Tennessee	57,543

Flow of people moving to **TEXAS** from across the U.S.



6 of the **10** fastest-growing counties in the nation over the past decade are located in Texas: Harris, Tarrant, Bexar, Dallas, Collin, and Travis.

-U.S. Census Bureau, 2019

QUALITY OF LIFE

The Lone Star State continues to attract businesses and workers from across the nation and around the world to take advantage of its comparatively low cost of living and dynamic cultural and recreational opportunities.

Texas offers the best of city and country lifestyles, and each city has something unique to offer.

The state is home to hundreds of barbecue restaurants, wineries, live music venues and museums, plus more than:

- 90 state parks,
- 191,000 miles of rivers and streams,
- 624 miles of coastline, and more than
- 70 working ranches.

The state is renowned for its sporting events, with top college and professional teams including the Houston Astros, San Antonio Spurs and Dallas Cowboys.



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QUALITY OF LIFE

TEXAS SPORTS

Sports rule in Texas, and the state is renowned for its sporting events, with professional teams including:

- Basketball (NBA): Dallas Mavericks, Houston Rockets, San Antonio Spurs (WNBA): Houston Comets
- Football (NFL): Dallas Cowboys, Houston Texans
- Baseball (MLB): Houston Astros, Texas Rangers
- Hockey (NHL): Dallas Stars
- Soccer (MLS): FC Dallas
- Formula 1
- X Games
- Texas Motor Speedway



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AWARDS & ACCOLADES



Texas named the nation's 'Best State for Business' for the 16th consecutive year



Texas named the '2019 State of the Year' by Business Facilities Magazine



Texas received Area Development Magazine's '2020 Gold Shovel Award'



**FitSmall
Business**

Texas named the 'Best State for Women Entrepreneurs' in 2019.



Six Texas colleges ranked among the top 100 schools on U.S. News' 'Best National Universities' list for 2020



Texas secured four #1 rankings on Business Facilities' 2020 Metro Rankings Report



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AWARDS & ACCOLADES



WalletHub named Texas the 'Best State to Start a Business in the country for 2019



For the 8th consecutive year, Texas was awarded Site Selection Magazine's Governor's Cup



Three Texas cities were ranked among Inc.'s 'Best U.S. Cities for Starting a Business' in 2020, with Austin taking the #1 spot



Texas was the #1 state for jobs created by African American, Hispanic and Veteran women business owners



Texas was rated "A" for 'Small-Business Friendliness' by Thumbtack.com



Texas led the nation in firm relocations from other states, according to the DallasFed



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FDI & TRADE TEXAS AND HUNGARY



FOREIGN DIRECT INVESTMENT



Hungary into the United States

Headline Figures	
No o FDI projects	8
Total jobs created	351
Total capital investment	USD 53.8 m

FDI from Hungary in the U.S. by State

State	No. projects	Capex (USD m)	Jobs created	Companies
Texas	3	18.4	105	3
California	1	9.9	57	1
Massachusetts	1	8.9	85	1
Michigan	1	9.9	57	1
New York	1	5.7	38	1
Virginia	1	1	9	1
Total	8	53.8	351	8

Source: fDi Intelligence from The Financial Times Ltd – Period: Jan. 2003 – Dec. 2020



FOREIGN DIRECT INVESTMENT

Hungary into Texas



Texas into Hungary

Headline figures	
No of FDI projects	3
Total jobs created	105
Total capital investment	USD 18.4 m

Headline figures	
No of FDI projects	36
Total jobs created	7,431
Total capital investment	USD 1.5 b



FOREIGN DIRECT INVESTMENT

Hungarian Companies in Texas : Jobs Created and Capital Investment

Company	Source	Dest	Sector	Activity	Capex	Jobs
Magnus Aircraft	Hungary	Texas	Aerospace	Manufacturing	\$2.80m	* 10
HCC-Embedded	Hungary	Texas	Software & IT services	Sales, Marketing & Support	* \$9.90m	* 57
Kilgray Translation Technologies	Hungary	Texas	Software & IT services	Sales, Marketing & Support	* \$5.70m	* 38

All capex figures are shown in USD - United States Dollar millions * Includes estimates

Source: fDi Intelligence from The Financial Times Ltd – Period: Jan. 2003 – Dec. 2020



FOREIGN DIRECT INVESTMENT

Top Texas Companies in Hungary: Jobs Created and Capital Investment

Company Name	Jobs created		Capital investment	
	Total	Average per project	Total (USD m)	Average (USD m)
National Instruments	516	73	41.20	5.90
Exxon Mobil	1,501	375	159.90	40.00
Celanese Corporation	277	92	22.50	7.50
EDS Magyarorszag	600	300	28.30	14.20
Flowserve	430	215	27.00	13.50
EDS Hungary	90	90	2.10	2.10
El Paso Corporation	214	214	212.80	212.80
Electronic Data Systems (EDS)	2,382	2,382	50.60	50.60
Ema - Power	46	46	157.90	157.90
Genesis Energy	200	200	137.60	137.60

Source: fDi Intelligence from The Financial Times Ltd – Period: Jan. 2003 – Dec. 2020



TRADE



Activity	Country	2018	2019	2020	% VAR 2020 vs 2019
Exports	Hungary	\$225,020,198	\$324,739,301	\$297,868,085	-8%
Imports	Hungary	\$456,802,126	\$548,004,542	\$539,003,880	-2%
TOTAL TRADE		\$681,822,324	\$872,743,843	\$836,871,965	-4%

Source: the U.S. Census Bureau, Economic Indicators Division.



TOP INDUSTRIES IN TEXAS

TEXAS TOP INDUSTRIES

Across the diverse geography of Texas, our state specializes in its own unique array of advanced industries, where specific infrastructure and industry knowledge has developed and continues to evolve.

The industries across the Lone Star State allow companies and their workforce boundless opportunities for success.

- **ADVANCED MANUFACTURING**
- **AEROSPACE, AVIATION & DEFENSE**
- **BIOTECHNOLOGY & LIFE SCIENCES**
- **CORPORATE SERVICES**
- **INFORMATION TECHNOLOGY**
 - **SEMICONDUCTOR**
- **ENERGY**
 - **RENEWABLE ENERGY**
 - **OIL & GAS**



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SMALL BUSINESS



Incentives & Financing

16.1%

14.8%

14.5%

14.9%

7.5%

5.8%

6.2%



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
- Chapter 380/381 agreements

TAX INCENTIVES

- Texas Enterprise Zone Program
- Manufacturing Exemptions
- Value Limitation and Tax Credits/Texas Economic Development Act (Chapter 313)
- Freeport Exemptions
- Pollution Control Equipment Incentive
- Renewable Energy Incentives
- Defense Economic Readjustment Zone Program
- Research & Development Tax Credit
- Data Center Tax Incentives
- Business Relocation Tax Deduction

GRANTS

- Texas Enterprise Fund (TEF)
- Skills Development Fund
- Self-Sufficiency Fund
- Governor's University Research Initiative (GURI)
- Texas Capital Fund Infrastructure Development and Real Estate Programs (INFRA/RE)
- Cancer Prevention & Research General Obligation Bonds
- The Defense Economic Adjustment Assistance Grant Program (DEAAG)

FINANCING

- The Texas Product Development and Small Business Incubator Fund (PDSBI)
- The State of Texas Industrial Revenue Bond Program (IRB)
- The Texas Military Value Revolving Loan Fund (TMVRLF)
- Certified Capital Company (CAPCO)
- The Capital Access Program





QUESTIONS

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THANK YOU



Office of the Governor
Economic Development & Tourism
P.O. Box 12428 | Austin, Texas 78711

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