



BUILD WHAT MATTERS IN
MINNESOTA

The Minnesota Advantage



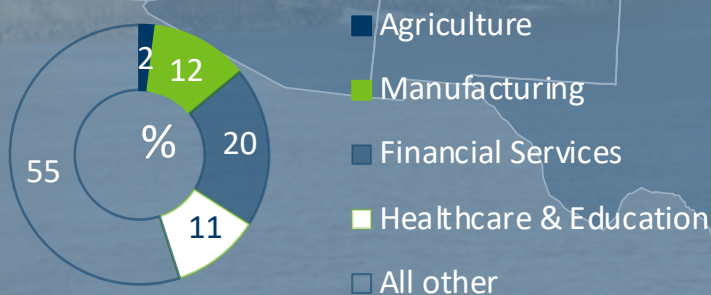


Sector Strengths



- Agricultural production ranks 6th among US states
- Manufacturing output ranks 13 among US states (in total numbers), as well as by the share of manufacturing in state employment and GDP.
- Nearly one of 5 jobs in Minnesota is accounted for by the Healthcare Industry
- The Twin Cities Metro Area has the third highest concentration of financial and insurance services in the US.

Share of industries in GDP Value Added



5,7 mln inhabitants (#22)

472 bln \$ GDP (#18)

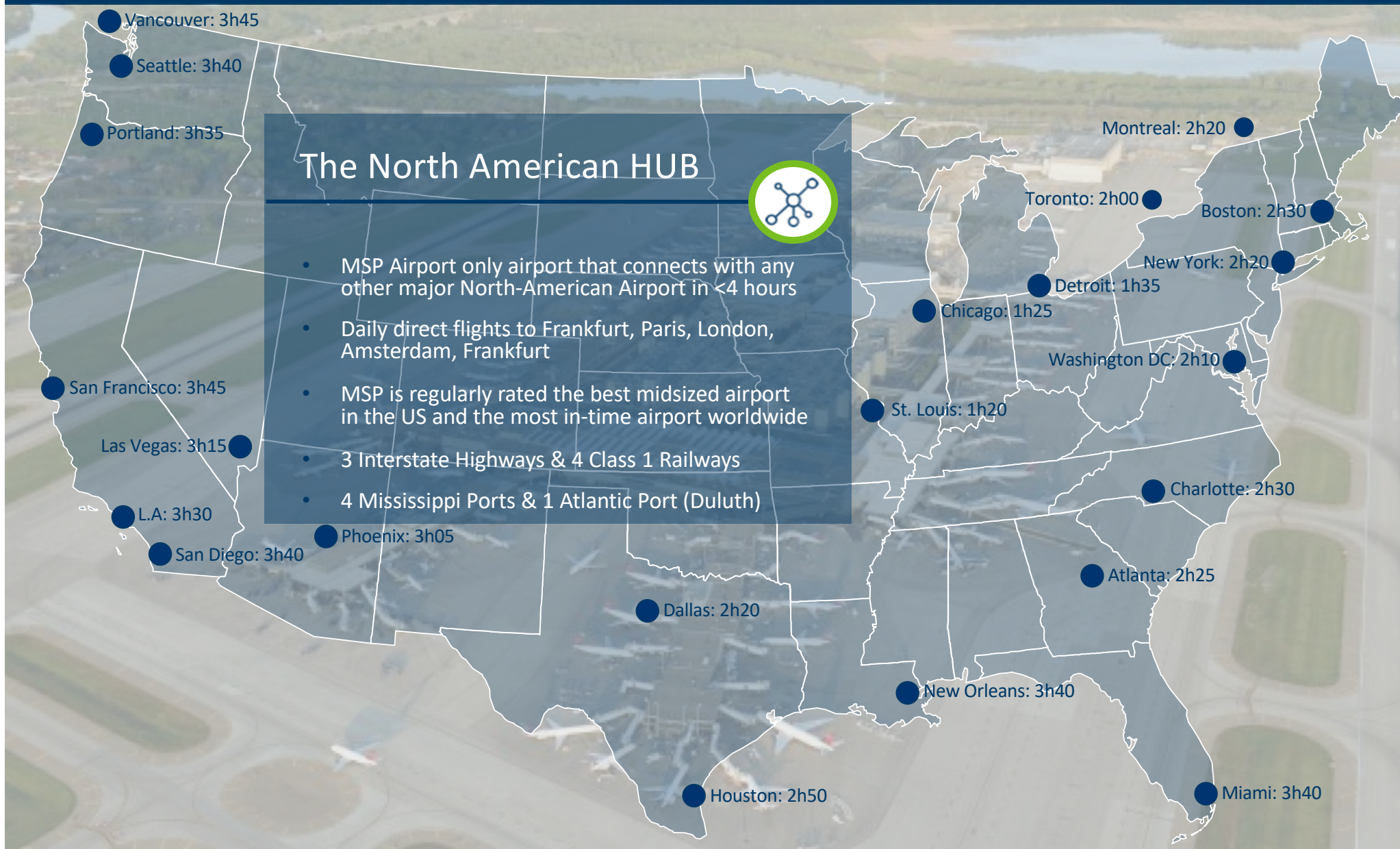
73k \$ GDP per capita (#14)

2nd best state overall (US News World Report)

Business Conditions



- 6,7% effective tax rate for capital intensive manufacturing (US rank: 6)
- No corporate income tax on sales to other US- states
- 5-year-business survival rate of 57% (US rank: 1)
- Low risk of natural disasters (US rank 19)
- 55% carbon free electricity supply (US rank 14)
- High density of corporate HQ (incl. 17 Fortune 500 HQ)
- State of the art digital infrastructure, ranking 1st on 5G coverage and 3rd on mobile internet speed
- Last but not least: the highest life expectancy in the US





R&D Excellence



- The University of Minnesota is the 9th largest US University and a leader in research areas such as Chemical Engineering (US rank 4) & Robotics (US rank 5)
- MNDrive – a joint program by the State and the University of Minnesota spending \$22 million annually in research in Robotics, Food, Environment, Cancer, Brain
- The UoM Plant Protein Innovation Center – a private public partnership with 30+ food & ag industry leaders
- FAARM – a 220 mln \$ smart agriculture research complex developed by the UoM and the Hormel Foundation
- The UoM research and innovation office has launched 23 startups in 2023

28

of patents per 1,000 S&E employees (US rank: 9)

4.350

of patents per year (US rank: 11)

8.026

Private Sector R&D spending in million \$ (US rank: 12)

Clusters, Hubs & Investments



- Minnesota is part of HEARTLAND HYDROGEN HUB, one of 7 regional hydrogen hubs to receive nearly 1 bln \$ of US Federal Funding to build a clean hydrogen value chain
- The Twin Cities region has been designated as US Medtech Hub, entitling it to federal funding on a Medtech 3.0 initiative to boost AI in Healthcare.
- The Minnesota SUSTAINABLE AVIATION FUEL HUB is an industry initiative to scale commercial production of sustainable aviation fuels, backed by a dedicated state SAF tax credit.
- The MEDICAL ALLEY ASSOCIATION is the largest US healthcare technologies cluster organization gathering 700+ companies and other stakeholders along the healthcare value chain.
- DESTINATION MEDICAL CENTER is an economic development joint venture between the State of Minnesota and Mayo Clinic, the world's No.1 hospital, leveraging \$6 billion of government and private sector investments to create a globally unique healthcare innovation ecosystem in Rochester, MN
- BioMADE – federally funded institute supporting the scaling of bioindustrial manufacturing solutions

Educational Attainment

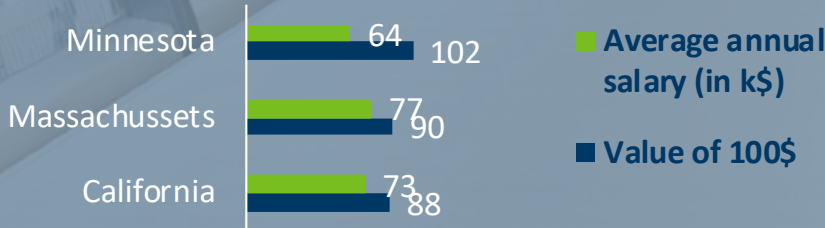


- 93% of adults have a highschool diploma (US rank: 1)
- 38% of the workforce have a bachelor degree (US rank: 19)
- 1.500 doctoral recipients per annum (US rank: 13)
- 2.000+ postdoctoral appointees per annum (US rank: 10)

Wages & Cost of Living



- Minnesota cost of living is comparable to European countries and far below other US high tech states, offering opportunities to bring expats and attract talent from the coasts.

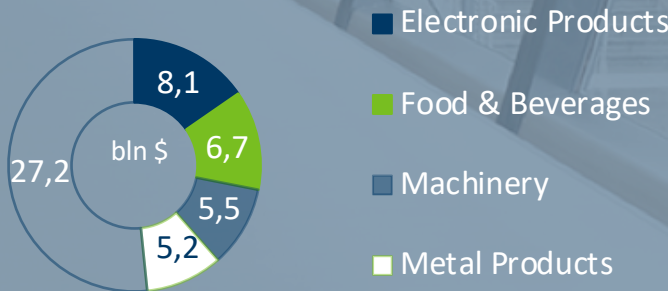


Manufacturing Workforce



- Minnesota employs 330.000 people in manufacturing industries, equaling 13% of total employment
- In various high tech manufacturing segments, Minnesota actually has one of the strongest manufacturing workforces in the US **in total numbers**, including:
 - Medical Devices (16.000 employees / US rank 3)
 - IT & Analytical Instruments (46.000 / US rank 7)
 - Food Processing (33.000 / US rank 8)
 - Metalworking (15.000 / US rank 10)

Main manufacturing segments (by annual output)



Life Sciences & Medtech



- 600+ businesses employing some 43,000 staff
- Major players include MAYO CLINIC (No.1 Hospital US hospital provider), MEDICAL ALLEY (largest US medtech cluster), MEDTRONIC (world's largest medical device company), UNITED HEALTH (largest US health insurer)
- European companies include Heraeus Medevio, Coloplast, Lisi, Diasorin

Industrial IoT & Automation



- 700 business employing some 50,000 people
- Major Players include Banner Engineering (largest US sensor manufacturer), DIGI (IOT pioneer), Digi-Key (Top US electronics distributor), OSII (Scada Software), STRATASYS & PROTO LABS (additive manufacturing)
- European companies with US HQ in MN include SICK, BECKHOFF, TURCK, ZEISS IQM, Rolls Royce/MTU, Syntegon (former Bosch Packaging)

Water Tech



- Almost 1,000 companies employing some 22,000 people
- Major MN headquartered players include 3M (leading producer of filtration membranes), PENTAIR (leading manufacturer of water treatment systems), ECOLAB (world leader in water treatment chemicals)
- European owned companies: Veolia (membranes), Aqseptence (screen filters), UPONOR (pipes)

Food Processing



- 800 businesses employing some 33,000 staff
- Major players include CARGILL (the world's largest private company), GENERAL Mills (global top 10 food company), Land-o-Lakes (top 3 US Dairy producer), HORMEL (top 5 US meat producer), TARGET (top 3 US food retailer)
- European companies include Kerry, Ornuo, Ebro, as well as suppliers TETRA PAK, Buehler

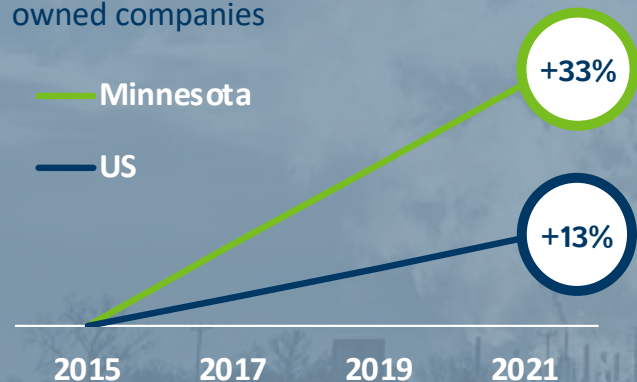


FDI Footprint



- Minnesota hosts 500+ subsidiaries of European companies that account for nearly 100,000 jobs and 16+ billion USD of investments.
- European investors come here to stay and play a vital role for the Minnesota economy: While often starting small or by investing in existing businesses, they find the business conditions to grow their revenues, headcounts and commitment to Minnesota continuously over decades.

Growth of employment in European owned companies



France



- 55 companies
- 8700 employees
- 900 mln \$ investments

Germany



- 85 companies
- 22,500 employees
- 2,9 bln \$ investments

Switzerland



- 52 companies
- 8600 employees
- 1 billion \$ invested

Netherlands



- 24 companies
- 6200 employees
- 400 million \$ invested

Sweden



- 23 companies
- 6200 employees

Italy



- 25 companies
- 5,000+ employees

Minnesota Job Creation Fund



- MJC has awarded 66 million \$ since 2014 on investment projects.
- 90+ projects completed during this period, with another 75+ projects are currently active
- Funded projects amount to some >1.1 billion \$ of capital investments and 9.000+ jobs
- Low funding thresholds: funding available for projects creating 10 jobs & 0,5 million \$ of investment in the Twin Cities and 5 Jobs & 0,25 millions in Greater Minnesota.
- Business apply directly for funding
 - Businesses must have other location options outside MN
 - Funding criteria include job creation, but also minimum wage requirements
- Grants up to 1 million, with exceptional funding of up to 2 million and beyond for large projects
- Focus sectors include manufacturing, warehousing, distribution and technology-related industries.
- Recent European owned recipients include SOMIC, TÜV Süd, LISI

Minnesota Investment Fund



- MIF has awarded 93 million \$ of funding since 2014
- 106 projects have been completed since, with another 69 projects currently active, jointly accounting for 14.000 jobs created and 3,5 bln \$ invested.
- Funding is provided as loans which can be partially or entirely “forgiven” if funding terms are met, application and funding are handled through municipalities
- Funding terms include commitments to job creation and / or total investment size
- Low funding thresholds: funding available for projects creating 10 jobs & 0,5 million \$ of investment in the Twin Cities and 5 Jobs & 0,25 millions in Greater Minnesota.
- The program focuses on industrial, manufacturing and technology-related industries
- General funding limit: 1million, exceptions for large projects
 - Businesses must prove that their investment decision depends on the funding...
 - Recently awarded European owned companies include WIHA, SICK AG, UPONOR

**160 mln \$
awarded
since 2014**

Minnesota Forward Fund



- One time fund of 400 million \$ for projects for which federal funding requires state matching, including:
 - \$50 million of matching funds required by federal programs
 - \$100 million to match existing federal funds from the Consolidated Appropriations Act (CAA) to
 - bio-industrial manufacturing facilities or biorefineries using agricultural feedstocks or
 - aerospace R&D centers
 - \$250 million to match federal funds made available in the Chips and Science Act
- Funding is limited to \$15 million (grants & loans combined) per project / business
- For CHIPS act projects, funding limit is 15% of maximum total project cost of \$75 million

State Competitiveness Fund



- \$190 million to create a State Competitiveness Fund (SCF). This program will assist eligible Minnesota entities to seek federal grant awards for energy projects under
 - the federal Inflation Reduction Act (IRA) and
 - the Infrastructure Investment and Jobs Act (IIJA)
- The SCF Match Program Request for Proposals included two concurrent application periods: in 2023, \$100 million were approved for an initial SCF Match Program (SCF1)
- In addition, a state competitive capacity program was launched to fund organizations providing services to eligible entities
- No single entity may receive grants totaling more than \$15 million
- At least \$75 million of the fund must be allocated for grant awards of less than \$1 million

**~600 mln \$
for State
Matching**

Dual Training



- The PIPELINE Program Dual Training Grants supports European style dual education for companies in advanced manufacturing, agriculture, health care services and information technology.
- The program awards 600+ trainees annually and has supported 5,000+ trainees in 90+ occupations at 250+ employers to date.

Scitech



- Internship program in collaboration with the Minnesota Technology Association (MNTech)
- State supports small and medium sized enterprises (up to 250 staff worldwide) to attract Science, Technology & Mathematics (STEM) interns by offering a 50% a wage match of (\$2,500 max)
- 250+ interns are introduced to 100+ employers annually, 3,000 since program launch

Jobs Partnership



- The Minnesota Jobs Skills Partnership supports alliances between companies and local colleges to meet the demand for specific, customized skills and qualifications.
- Colleges can receive funding of up to 400,000 \$ for the development of company specific training courses
- 400+ projects funded and 50k+ workers trained to date



Venture Capital



- Minnesota invests 34,5 million \$ of VC annually through the University of Minnesota:
- Multifund Venture Capital: 22,5\$ million \$ annually are invested in Minnesota-based VC funds that target seed and early-stage Minnesota startups
- Direct Venture Capital: The UoM invests directly in Minnesota-based seed and early-stage startups (\$12 million)
- Focus is on advanced manufacturing, ag tech/food tech, climate tech, life sciences, software, and technology.

Launch Minnesota



- Launch MN innovation grants provide startups with up to \$35,000 for **business operations**, including research and development, direct business expenses and technical assistance
- 300+ innovation grants totaling nearly 8 million\$ of funding awarded to 200+ start-ups since 07/2019.
- The ANGEL TAX CREDIT provides 10 million \$ annually as 25% tax credits to (mostly foreign, out-of-State) private or corporate investors investing in small & emerging Minnesota businesses

R&D Tax Credit



- Companies investing in research and development related activities in Minnesota can apply for a tax credit R&D related expenses
- The tax credit is worth 10 percent of qualifying expenses up to \$2 million, and 2.5 percent for all further qualifying expenses
- Qualifying expenses include R&D-related wages, supplies and external contract research, as well as contributions to non-profit organizations supporting early stage startups.

Interested in further steps? Here's how...

Share your plans

1

- What type of business activity are you planning in the US?
- How many and what workforce do you need?
- What type and size of industrial or office space?
- What are your supply chain needs and target customers?
- What are your timeline and milestones?

Tap our resources

2

- Get detailed market and supplier data
- Get customized labor market and site selection data and access to local HR & real estate partners
- Get reliable estimates of operational costs and tax rates
- Check eligibility for various funding and incentives schemes

Visit Minnesota

3

- Stop by during your next US trip
- Meet the DEED team, as well as potential local partners, suppliers, employees
- Meet other European companies in Minnesota
- Visit shovel ready sites or existing office & industrial facilities

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