

HOUSTON REGION

ECONOMIC DEVELOPMENT PROFILE

HOUSTON REGION OVERVIEW

The Houston - Woodlands - Sugar Land Metropolitan Statistical Area (Houston MSA) consists of 10 counties: Austin, Brazoria, Chambers, Fort Bend, Galveston, Harris, Liberty, Montgomery, Waller and Walker. Additional facts about the Houston region:

- The Houston region ranks fifth among U.S. metropolitan statistical areas (MSA) with a population of 6.3 million.
- The Houston MSA has a gross domestic product of \$449.4 billion, fourth largest in the nation.
- The Houston Airport System (HAS) serves 185 domestic and international destinations.
- The Port of Houston is ranked first in the U.S. in foreign tonnage, equivalent to 10.4 percent of the nation's total seaborne import tonnage.



INDUSTRY STRENGTHS

ENERGY & RENEWABLES

Houston is home to more than 3,700 energy-related firms and the world's top research facilities. While Houston is recognized for its petrochemical industry technology and advancements, non-hydrocarbon based fuels is a growing sector in large part due to the critical mass of energy talent produced by decades of research and innovation.

ADVANCED MANUFACTURING

Houston is home to 5,221 manufacturers who employ almost a quarter of a million skilled workers. Houston has one of the largest concentrations of industrial space in the nation and the area has room to meet future demand. Business accelerators such as the Houston Technology Center work to facilitate technology entrepreneurs in the area.

BIOTECHNOLOGY & LIFE SCIENCE

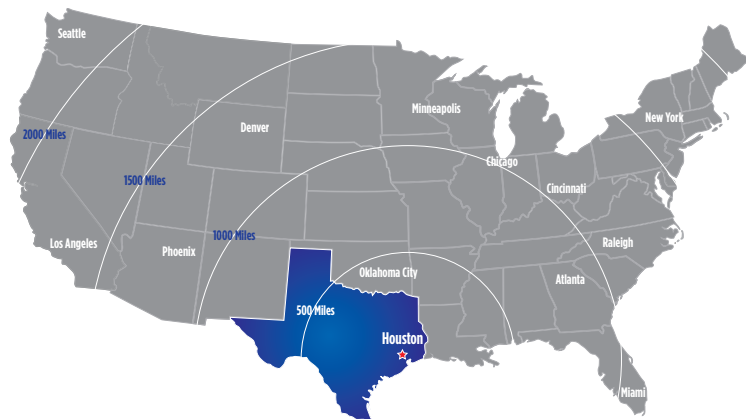
Houston is the birthplace of nanotechnology and is home to the largest medical complex in the world - the Texas medical Center (TMC). Houston has more than 190 life science and biotechnology companies as well as academic partnerships; nearly 200 cutting edge hospitals and health clinics, and some of the country's top research facilities.

DISTRIBUTION & LOGISTICS

Houston is a gateway for trade to Mexico, Canada and the enormous expanding markets of Latin America. Houston's geographic advantages and proximity to major metropolitan centers throughout the U.S. Midwest makes it an ideal venue to set up manufacturing and logistics facilities with fewer supply chain costs.

AVIATION & AEROSPACE

Houston is home to Johnson Space Center, a \$1.5 billion complex housing one of NASA's largest R&D facilities and a source of the nation's best high-tech professionals in science and engineering. Houston's aviation community includes more than 150 companies involved in aircraft or space vehicle manufacturing, space research and technology.



WORKFORCE & DEMOGRAPHICS

For companies seeking a young, diverse, highly skilled workforce, Houston abounds with prospects - as one of the youngest major metropolitan areas in the United States. Houston's median age is 33.5 years, while the U.S. median age is 37.4 years.

Engineers have a strong presence in Houston, which has been described as having "the world's leading pool of engineering talent." Houston employs more than 89,000 engineering and architecture professionals, many of which are involved in the energy industry.

Additionally, Houston has created a workforce development pipeline with a strategic focus on K-16 education - especially in the areas of science, technology, engineering and math to sustain our position as the world's energy hub. Proactive collaborative research development programs have been established with the area's more than 42 colleges, universities and other degree-granting institutions.

HOUSTON REGION

YOUR GLOBAL BUSINESS GATEWAY

▶ AN INTERNATIONAL CITY

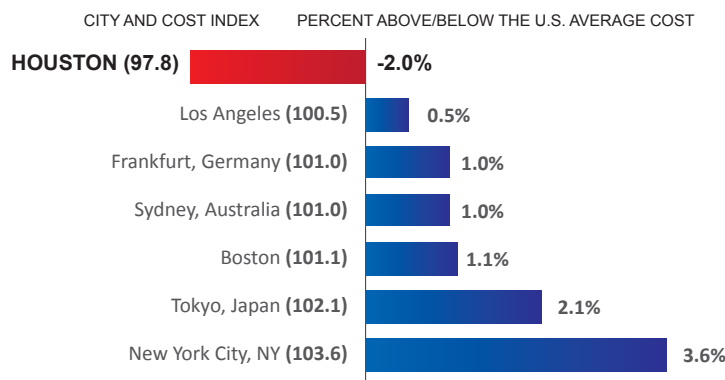
Houston's status as an international center is reflected in the breadth and depth of the city's international representation. The region has:

- More than 90 Foreign Consulates in Houston
- 31 Active Foreign Chamber of Commerce and Foreign Trade Associations
- 21 foreign banks, representing 9 nations
- More than 752 foreign-owned firms
- More than 437 companies with branches in 144 other nations
- More than 3,417 area firms, foreign government offices and nonprofit organizations involved in international business
- Nearly 40 percent of the population five years and older living in the Houston region speaks a language other than English.

COMPETITIVE ADVANTAGES

The 2014 KPMG's Guide to International Business Location Costs shows Houston's business cost is below the U.S. average and lower than many major global cities.

OVERALL BUSINESS COST INDEX Houston's Cost Competitive Advantage



**U.S. average is a baseline of 100.0*

Source: Competitive Alternatives: KPMG's Guide to International Business Location Costs, 2014

FOREIGN TRADE

Texas is the nation's largest exporter, ahead of second-place California and significantly ahead of New York, Washington, Illinois and Louisiana. Among U.S. seaports, the Port of Houston has ranked first in foreign tonnage for 18 consecutive years as of 2013, and second in total tonnage for 21 consecutive years as of 2012.

INTERNATIONAL TRANSPORT

More than 100 steamship lines provide service between Houston and 1,053 ports around the world. Houston (IAH) is ranked as the eighth busiest airport in North America based on flight operations. Scheduled and charter passengers and cargo carriers fly directly to approximately 117 domestic and 68 international destinations in 37 countries from Houston, which ranks IAH fifth in the U.S. for total nonstop destinations served.



▶ STATE & REGIONAL INCENTIVES*

The Houston region offers a variety of attractive state and local incentives to companies of various sizes and stages of the business life cycle, including:

- Texas Enterprise Fund
- Texas Emerging Technology Fund
- The Cancer Prevention and Research Institute of Texas (CPRIT)
- Foreign Trade Zones
- Manufacturing Sales Tax Exemption
- Pollution Control Property Tax Abatements
- Skills Development Fund
- Freeport Tax Exemption

*To view the full list of available incentives, visit www.houston.org/business

▶ ABOUT GHP

The **Greater Houston Partnership (GHP)** is the primary advocate of Houston's business community and is dedicated to building regional economic prosperity. GHP works in conjunction with the City of Houston, Mayor's office and Houston's 63 regional economic development groups to:

- Assist in site selection analysis
- Assist in evaluating and applying for incentives
- Aid in the permitting process
- Identify potential business facilities
- Provide data on key business factors
- Provide introductions to industry and innovation leaders and regional economic development organizations



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