



**Presentation to
Greenville Chamber
“State of Business”**

May 13, 2020

ECONOMIC DEVELOPMENT PARTNERSHIP OF NORTH CAROLINA



Today's Presentation

- What are we seeing in terms of Covid-19's impacts on our work?
- What are we doing to help the state's economic response to Covid-19?
- How does economic development look post-Covid19?

Our Mission

The Economic Development Partnership of North Carolina improves the economic well-being and quality of life for all North Carolinians. We do this by collaborating with state, regional, local, and private-sector partners in new business recruitment, existing employer support, international trade and export assistance, small business start-up counseling, and tourism promotion.



Business Recruitment



Existing Industry Support



International Trade



Small Business Support



Travel & Tourism





**What impacts has
the EDPNC seen
from Covid-19?**



Existing Industry Support

- NC businesses seeking direction on “Essential Industry” designation
- Temporary shutdowns and layoffs but also expansions, surge hiring, and employee recalls in certain sectors
- Confusion and frustration over accessing federal relief programs
- Companies considering or making pivot to PPE production



Tourism Development

- From 6th most visited state to the state with 6th highest rise in unemployment
- Thousands of small businesses in tourism industry have collapsed as federal efforts have not met their needs
- Local occupancy tax revenues sharply down and ability of local tourism efforts to market their areas decimated



Small Business Counseling

- State unemployment insurance claims and questions about federal UI
- Questions about application process for federal and state relief loans
- Very small businesses looking to understand available recovery resources
- Steady flow of business start-up inquiries



International Trade and Exports

- ALL International Trade events have been cancelled or postponed till fall at earliest
- International sales opportunities on hold and pipeline drying up (e.g. non-essential healthcare products for Middle East market)
- Supply chain disruptions affecting manufacturers (e.g. Daimler/Freightliner)



Business Recruitment

- Active project pipeline shrinking due to impact of Covid-19 on deals
- New project activity in March and April slightly below typical monthly averages
- Significant drop-off in projects moving forward to requesting state incentives (i.e. indicator of firmness of investment plans)



What is EDPNC doing to aid the economic response?



Existing Industry Support

- Continued update of EDPNC list of COVID-related relief resources
- Guiding businesses through SBA application process for EIDL and PPP
- Partner resource webinars
- Regularly updated resource directory for manufacturers pivoting to personal protective equipment (PPE) production



Tourism Development

- Currently suspending all marketing to conserve funding for recovery period
- Weekly research on traveler mindset to re-engage when time is right
- Regular webinars and surveys to assist local tourism partners
- Reorganized online content and newly launched organic social media plan



Small Business Counseling

- Serving as main intake for Phase 2 of Golden LEAF bridge loan program
- Directing businesses to lenders and local, state, and federal funding options
- Counseling businesses and individuals on unemployment benefit resources



International Trade and Exports

- Shifting from international trade shows to online export education
- Promoting marketing material translations and website optimization as way to build export sales pipeline
- Making new supply chain introductions here and abroad
- Navigating new trade agreements for export clients



Business Recruitment

- Canvassing existing clients on project status and impacts of Covid-19
- Outreach to site selection consultants for their insights on “new normal”
- Launching marketing communication tools to keep NC top of mind as a business location
- Circling back with older inactive deals



Economic Development: “Before” vs “New Normal”



Existing Industry Support

- *Before:* Greatest needs around workforce availability and worker upskilling; dependence on global supply chains
- *Now:* Access to financial assistance resources; workforce readiness impacts from federal and state UI benefits; desire to reduce supply chain risk



Tourism Development

- *Before:* Consecutive years of visitor spending through 2019 (\$26.8 billion); growing NC's international visitors; emphasis on new experiences and "Firsts That Last"
- *After:* Uncertain recovery period for industry; focus on in-state and near-state visitors; demand for comfortable and familiar (i.e. safe) travel experiences



Small Business Counseling

- *Before:* Strong demand for counseling services from would-be entrepreneurs across many sectors and business types
- *Now:* Certain sectors not as active for new business formations; team becoming more of a go-to resource for existing businesses seeking guidance on various resources



International Trade and Exports

- *Before:* Continued push into growth markets for NC exports; record year for state exports (\$34.3 billion); focus on facilitating face-to-face selling opportunities for exporters
- *Now:* Mexico and Canada likely to be near-term focus; impacts of supplier localization; enabling more effective e-commerce and online selling opportunities (e.g. website localization)



Business Recruitment

- *Before:* High-water mark for announced job-creation (21,600 new jobs) in 2019 and full pipeline entering 2020; metros and more populated areas in demand, with urban centers especially attractive for many
- *Now:* Sales pipeline down by 25%; new deal flow stable but slower; existing deals taking longer; potential shift to less urban, less dense options



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