City of Austin: Business Development Opportunities
Summary of Findings of Texas A&M University Global Supply Chain Laboratory
Spring 2012

Background. Economic Growth & Redevelopment Services Office (EGRSO) seeks to maximize Austin’s international trade (imports and exports) in order to increase job opportunities and tax revenue for the area. The commercial potential of Austin Bergstrom International Airport (ABIA) and surrounding area continue to increase with investments of $250 million in area roads by the Texas Department of Transportation and approximately $400 million for the track and other facilities by Circuit of the Americas. With Austin’s proximity to the major trade hubs of Laredo, Fort Worth and Houston and its steady population and job growth, there is potential for attracting industrial and manufacturing companies.

Scope of Work. EGRSO hired Texas A&M University’s Global Supply Chain Laboratory to assess market opportunities within specific industries and identify high-potential target industries and specific customers using public and proprietary data. The report identifies Austin’s competitive advantages within industries and, where available, companies that bring job opportunities for residents who are hard to employ (those with criminal records, less than four-year degrees). TXA&M evaluated the supply-chain potential within the following key industry sectors: Automotive; Biomedical and Life Sciences; Clean Energy; Creative Media; Electronics; Food; and Information Technology (IT).

Summary of Key Findings. A&M’s research and interviews with diverse industry officials confirm Austin’s prominence in electronics, information technology, and creative media. They encourage supporting workforce training and education in these fields, and recruiting manufacturing and research and development components of IT companies, not only sales and marketing divisions. Austin’s clean energy sector is also strong, yet industry’s reliance on tax incentives for growth is of concern. The report points to potential within certain subsectors in Food, Automotive and Biomedical. Specialty food manufacturing in frozen foods, organics, sauces, show potential. While market potential exists for food processing and manufacturing, it may not be desirable or cost effective in Austin. UT and the vibrant hospital network within the metro area raise potential for attracting more medical equipment and pharmaceutical manufacturing companies. Austin’s location within the Texas- Mexico Automotive Supercluster combined with UT-Austin and Circuit of the Americas are major draws for automotive manufacturing, such as energy storage/battery as well as parts.