

# Defense sector a good fit here

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The contributions Charlotte-area businesses have made to our nation's defense and homeland security are notable not only for the important mission they support, but also for the extent to which they are diversified across the region's leading industries.

Spending on defense is often stable even during economic downturns, so the defense sector represents a smart choice for support by regional economic developers. Given the Charlotte region's competitive advantages, it is well-positioned to capitalize on emerging defense and homeland security business opportunities.

The North Carolina Military Foundation strongly supports the Charlotte Regional Partnership's decision to pursue defense and security as a growth sector for the area. According to the partnership, there are already 900 defense contractors in the region that have been awarded more than \$3.2 billion in defense contracts since 2000.

The global war on terrorism has caused the United States to change many of its assumptions about what is required to keep our nation safe. Those changes have led the Department of Defense and the Department of Homeland Security to identify new equipment and technology needs, which in turn provide business opportunities to companies that become leaders in these new focus areas. For example, new optical technologies — where Charlotte is a leader — will serve to improve our military's reconnaissance capabilities.

Underscoring that market potential, the 2009 defense baseline budget approved by the Congress stood at \$542.5 billion, a 7% increase over 2008. In North Carolina, the N.C. Department of Commerce reports that military activity contributed \$23.4 billion, or 7%, of the state's gross domestic product in 2007. More than 416,000 workers (8% of total state employment) had jobs that supported the defense and homeland-security industries. Going forward, 49,000 new defense-related jobs are projected by 2013 across the state.

Many defense and homeland security industry jobs are already in the Charlotte region. Charlotte is home to the corporate headquarters for Curtiss-Wright Controls Inc., General Dynamics Armament and Technical Products and Goodrich Corp.

Local companies that do not work in this industry should consider entering the market. For example, expertise related to the high-performance motorsports industry has links to the Army's continuous demands for its tactical wheeled vehicles. Over the next three to five years, the Army will spend billions of dollars to recapitalize its wheeled-vehicle fleets. The Department of the Army also recently announced an ambitious strategy to incorporate energy-efficiency projects for use by its installations, camps, vehicles, aircraft and weapons — overlapping with another strategic focus area for the Charlotte region.

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