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## Chemical, Plastic and Rubber Cluster Report

TexAmericas Center – Texarkana MSA – Texas

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### 3.4 CHEMICAL, PETROLEUM, PLASTIC, & RUBBER MANUFACTURING CLUSTER OF BUSINESSES

The greater Texarkana area is a good fit for traditional chemical Petroleum, Plastics and Rubber production operations and the community would welcome new operations such as:

- **Petroleum Refining:** Because of proximity to local Raw Materials, some facilities in the Texarkana area are involved in petroleum refining, processing crude oil into various petroleum products such as gasoline, diesel, jet fuel, and lubricants.
- **Pipeline Operations:** The Texarkana area is often seen as a hub for pipeline operations, similar to its noteworthiness for its interstate and rail system interconnectivity. With existing pipelines transporting crude oil, refined petroleum products, and natural gas to and from refineries, distribution centers, and markets across the region and the country as well as multiple proposed pipelines including CO2 and others, we are an excellent fit for these facilities.
- **Petroleum Storage, Distribution, and Terminals:** Because of our access to Rail, Interstate and Pipelines facilities in the Texarkana area could be involved in the storage and distribution of petroleum products. Sites at TexAmericas Center could support facilities that store large quantities of refined products such as gasoline, diesel, jet fuel and others before they are distributed to retail outlets, airports, industrial consumers, and other end users.
- **Petroleum Industry Support Services:** Various support services related to petroleum production and refining are also present in the greater Texarkana area. These include engineering firms, equipment suppliers, logistics companies, and environmental consulting firms that cater to the needs of the petroleum industry.
- **Chemical Manufacturing:** There are companies in the Texarkana region engaged in the production of various chemicals for industrial and consumer applications. These chemicals include solvents, acids, bases, fertilizers, polymers, and specialty chemicals.
- **Fertilizer Production:** Given the significant agricultural nature of the region, fertilizer production is a significant chemical operation in the Texarkana area. These facilities produce fertilizers containing nitrogen, phosphorus, and potassium essential for crop growth.
- **Industrial Gases Production:** Some companies in the Texarkana area specialize in the production or supply of industrial gases such as oxygen, nitrogen, hydrogen, and argon, which are used in various industrial processes.
- **Plastics and Polymers Manufacturing:** Chemical facilities in the Texarkana region also produce plastics and polymers, which are used in a wide range of applications including packaging, automotive parts, construction materials, and consumer goods.

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- **Adhesives and Sealants Production:** Certain chemical manufacturers in the Texarkana area specialize in the production of adhesives, sealants, and coatings used in construction, automotive, and industrial applications.
  - **Tire Manufacturing:** Texarkana area hosts a large Goodyear tire manufacturing facilities, but could be home to suppliers, distribution centers and additional tire manufacturers. Any facilities that would handle the inbound materials, distribution of tires, or produce rubber components used in tire manufacturing processes.
  - **Rubber Processing and Compounding:** Some companies in the Texarkana area specialize in rubber processing and compounding. These operations involve mixing raw rubber with various additives and chemicals to create custom rubber compounds used in various industries such as defense, automotive, construction, and industrial manufacturing.
  - **Rubber Products Manufacturing:** While not strictly rubber production, there is room for manufacturers in the Texarkana area that produce rubber products such as seals, gaskets, hoses, and conveyor belts. These products are used in a wide range of applications across complimentary and targeted industries to Texarkana like automotive, aerospace, defense, and equipment manufacturing.
  - **Rubber Recycling:** There is a large supply of rubber and tires in the Texarkana that needs to be recycled. Some facilities in the Texarkana region focus on rubber recycling, processing used rubber materials into new products or raw materials for other industries. Adding more offtake users to the market would enhance these companies' operations. Rubber recycling operations contribute to sustainability efforts by reducing waste-conserving resources and adding market value.
  - **Plastic Injection Molding:** Low cost of utilities, supply chain synergies and access to markets makes facilities that specialize in plastic injection molding is a particularly good fit for the Texarkana area.
  - **Plastic Extrusion:** Low cost of utilities, supply chain synergies and access to markets makes facilities that specialize in plastic extrusion a particularly good fit for the Texarkana area. These products are used in various industries such as construction, automotive, defense, and packaging.
  - **Thermoforming:** Low cost of utilities, supply chain synergies and access to markets makes facilities that specialize in thermoforming a particularly good fit for the Texarkana area.
  - **Blow Molding:** Low cost of utilities, supply chain synergies and access to markets makes facilities that specialize in blow molding a particularly good fit for the Texarkana area.
  - **Plastic Packaging Production:** Companies in the Texarkana area produce plastic packaging materials such as bottles, containers, bags, and films used in food and beverage, personal care, consumer goods, and other industries. Adding additional companies would add great value to our supply chains.

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- **Plastic Recycling:** Some facilities in the Texarkana region focus on plastic recycling, processing used plastic materials into new products raw materials or fuel for other industries. Plastic recycling operations contribute to sustainability efforts by reducing plastic waste and conserving resources. TexAmericas Center would welcome any industries generating waste plastics that need to be recycled.

These traditional production operations benefit from the region's access to raw materials, transportation infrastructure, skilled workforce, and supportive business environment. Additionally, the proximity to major markets in Texas, Arkansas, Louisiana, and beyond enhances the competitiveness of these chemical manufacturing operations in the Texarkana area.

The Texarkana area presents several advantages for placing a Petroleum, Chemical, Plastics, & Rubber Manufacturing facility:

- **Proximity to Raw Materials:** Texarkana's location provides access to key raw materials used in petroleum, chemical, plastics, and rubber manufacturing processes. The region's proximity to petrochemical sources and other industrial suppliers will reduce transportation costs and ensure a stable supply chain.
- **Transportation Infrastructure:** Texarkana benefits from well-developed transportation infrastructure, including interstate highways, railways, and access to waterways. This infrastructure facilitates the movement of raw materials, finished products, and equipment necessary for Petroleum, Chemical, Plastics, & Rubber manufacturing operations.
- **Skilled Workforce:** Texarkana boasts a skilled workforce with experience in manufacturing, engineering, chemistry, and related fields in a Right-To-Work state. Local educational institutions, such as universities, vocational schools, and community colleges, offer training programs tailored to the needs of the petroleum, chemical, plastics, and rubber industry, ensuring a reliable workforce.
- **Business-Friendly Environment:** Texarkana provides a supportive business environment with favorable tax policies, incentives, and resources for business development. Local governments often actively support manufacturing initiatives, making it easier for companies to establish and expand petroleum, chemical, plastics, and rubber manufacturing operations.
- **Access to Utilities:** Texarkana offers access to reliable utilities with excess capacities such as water, sewer, fiber, electricity, and natural gas, essential for petroleum, chemical, plastics, and rubber manufacturing facilities. Access to these utilities ensures consistent production and reduces operational risks.
- **Quality of Life:** Texarkana provides a high quality of life for residents, with access to amenities such as parks, recreational facilities, cultural attractions, and affordable housing options. A favorable living environment can attract and retain skilled workers, contributing to the success of manufacturing operations.

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- **Supporting Industries:** Texarkana has supporting industries and suppliers in sectors such as packaging, equipment manufacturing, and distribution, providing additional resources and support for petroleum, chemical, plastics, and rubber manufacturing plants in the area.
  - **Regulatory Environment:** Texarkana's regulatory environment is conducive to petroleum, chemical, plastics, and rubber manufacturing, with regulations in place to ensure safety, environmental protection, and compliance with industry standards.

Overall, the combination of proximity to raw materials, transportation infrastructure, skilled workforce, business-friendly environment, access to utilities, quality of life, supporting industries, and regulatory environment makes Texarkana an attractive location for placing a Petroleum, Chemical, Plastics, & Rubber Manufacturing facility.

- Facilities in Texas and Louisiana produce 80 percent of the nation's primary petrochemical supply, and Texas chemical production tops the nation by far, with chemical shipments valued at \$117.5 billion.
- Texas leads the nation in petroleum refining and is a global leader in petrochemicals. This sector has long played a crucial role in Texas' economy by creating jobs and contributing to our state's status as the #1 exporter in the U.S.
- Texas refineries process almost 5.9 million barrels of crude oil per day, which is 31% of the nation's refining capacity. Because of the significant demand for workers in these areas, the sector employs thousands and creates high-paying jobs. In fact, the state is home to the world's largest petrochemical cluster with nearly 75,000 people employed in the industry.
- The Texarkana region is close to the Haynesville (TX)/Bossier (LA) Shale and the southern ten counties in Arkansas that produce oil. Historically, four of these counties are responsible for over 85% percent of the oil produced in Arkansas.
- More than 50% of the total U.S. chemical production is produced and processed by Texas chemical manufacturers. Chemical companies supply products that are used to make pharmaceuticals, computers, transportation, infrastructure, and other everyday items. The basic ingredients originate in oil and gas fields and travel through an immense worldwide supply chain that eventually yields plastics, packaging, fertilizers, pesticides, synthetic fibers, cleaners, lubricants, paint, and a seemingly endless list of other materials.
- The Texarkana region especially the Texas side is well known for its strengths in Petroleum Product Refining, Plastic Packaging & Film Manufacturing, and Basic Chemicals Production, which produces basic building blocks such as ethane, ethylene, methanol, and benzene.
- Within 25 miles of TexAmericas Center there are 5 chemical manufacturing companies and 3 petroleum/coal processing companies employing a total of 5,873 individuals. At 50 miles there are 6 chemical manufacturing companies and 5 petroleum/coal processing companies employing a total of 8,656 people.

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And at 75 miles there 23 chemical manufacturing companies and 30 petroleum/coal processing companies employing a total of 32,995 persons.

### **3.4.1 Petroleum And Coal Products Manufacturing**

- Over the ten years ending in 2023, employment in Petroleum/Coal Products Manufacturing for TexAmericas Center's 75 Mile - Region added 129 jobs. After adjusting for national growth during this period and industry mix share, the part of this employment change due to local competitiveness was a gain of 71 jobs—meaning this industry was more competitive than its national counterpart during this period.
- In 2022, Petroleum/Coal Products Manufacturing produced \$0.9 billion in GDP for TexAmericas Centers 75 Mile - Region. The TexAmericas Center region's share of Industry Total GDP was 1.5 % as compared to 0.6 % in the nation. The TexAmericas Center's average annual percentage change over the last 10 years was 0.1 %, while across the nation the industry experienced a -1.0 % change over the same period.
- Employment in the Petroleum/Coal industry is growing at 0.9% in the TexAmericas Center's 75 Mile - Region while the US average is 0.3%. The average wage in the TexAmericas Center area is \$96,939 while the average wage in the nation is \$135,344. The LQ for the Texarkana area is 4.37.
- As of 2023Q4, Petroleum/Coal Products Manufacturing in TexAmericas Centers 75 Mile - Region are estimated to make \$8.1 billion in annual purchases from suppliers in the United States with about 23% or \$1.8 billion of these purchases being made from businesses located in the same 75 Mile - Main Region. The top six local purchases include: Oil and Gas Extraction, Petroleum and Coal Products Manufacturing, Management of Companies and Enterprises, Basic Chemical Manufacturing, Insurance Carriers, and Other Supplier Industries.
- There are no less than 8 vocational schools, Colleges and Universities with Postsecondary Programs Linked to Petroleum/Coal Products Manufacturing that are providing a pipeline of about 3,800 individuals annually.

### **3.4.2 Chemical Manufacturing**

- Over the ten years ending in 2023, employment in Chemical Manufacturing for TexAmericas Center's 75 Mile - Region added 227 jobs. After adjusting for national growth during this period and industry mix share, the part of this employment change due to local competitiveness was a gain of 38 jobs—meaning this industry was more competitive than its national counterpart during this period.

- In 2022, Chemical Manufacturing produced \$1.0 billion in GDP for TexAmericas Centers 75 Mile - Region. The TexAmericas Center region's share of Industry Total GDP was 1.8% as compared to 0.3 % in the nation. The TexAmericas Center's average annual percentage change over the last 10 years was 9.1 %, while across the nation the industry experienced a 2.8 % change over the same period.
- Employment in the Chemical industry is growing at 1.1% in the TexAmericas Center's 75 Mile - Region while the US average is 0.8%. The average wage in the TexAmericas Center area is \$111,696 while the average wage in the nation is \$120,107. The TexAmericas Center's average annual wage percentage change over the last 10 years was 1.7 %, while across the nation the industry experienced a 2.9 % change over the same period. The LQ for the Texarkana area is 4.88.
- As of 2023Q4, Chemical Manufacturing in TexAmericas Centers 75 Mile - Region are estimated to make \$2.6 billion in annual purchases from suppliers in the United States with about 34% or \$0.9 billion of these purchases being made from businesses located in the same 75 Mile - Region. The top six local purchases include: Basic Chemical Manufacturing, Oil and Gas Extraction, Petroleum and Coal Products Manufacturing, Natural Gas Distribution, Industrial Machinery Manufacturing, and Other Supplier Industries.
- There are no less than 8 vocational schools, Colleges and Universities with Postsecondary Programs Linked to Chemical Manufacturing that are providing a pipeline of about 3,080 individuals annually.
- Top Texarkana region companies in plastics, petroleum, rubber and chemical industries include: Goodyear, Red River Army Depot, Abernathy Company, GREIF, Detroit Forming, JM Eagle, Affinity Chemical, Majic Cast, Albemarle Building Products Co. Celotex Corp., Red River Vine Co., Sterno, A&E Quality Films, East Texas Coatings, and others.

### 3.4.3 Rubber Products Manufacturing

The rubber products industry in the Texarkana region plays a significant role in the local economy and benefits from its strategic location, abundant natural resources, and skilled labor force. Key aspects of the rubber products industry in the Texarkana region include:

- **Manufacturing Facilities:** The area is home to several manufacturing facilities that produce various rubber products. These products range from industrial components like gaskets, seals, and hoses to consumer goods such as tires, footwear, and rubberized fabrics. Rubber manufacturing is a leading industry in the Texarkana region with companies such as Goodyear (formerly Cooper Tire),

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Red River Army Depot employing and SETCO 1,788 individuals, there is LQ of 3.8 which is almost four times the US average of employment.

- **Supply Chain Integration:** Many companies in the rubber products industry in Texarkana are part of broader supply chains that serve diverse sectors, including automotive, construction, aerospace, and healthcare. This integration links the local economy to national and global markets.
- **Technological Advancements:** Like in other regions, technological advancements have influenced the rubber products industry in Texarkana. Automation, advanced materials, and process improvements enhance efficiency, quality, and competitiveness.
- **Environmental Considerations:** Environmental regulations and sustainability concerns influence the operations of rubber product manufacturers. Efforts to reduce waste, recycle materials, and adopt eco-friendly practices are increasingly common in the local industry.
- **Community Engagement:** Many companies in the rubber products industry actively engage with the local community through philanthropic initiatives, educational programs, and environmental stewardship projects. This involvement helps build stronger ties between businesses, educational institutions, civic entities, and residents.

#### *3.4.3.1 Red River Army Depot - RUBBER PRODUCTS DIVISION*

Rubber Products Division is the only facility of its kind in the Department of Defense. As the sole source provider of the M1 road wheel, the depot has the most sophisticated, state-of-the-art track shoe and roadwheel re-build / manufacturing facility in the world. The Rubber Products Division can produce multiple types of track shoes and road wheels simultaneously to meet the Army's demand. Equipment modernization projects such as the automated rubber denuding system and robotic road wheel material handlers have ensured that RRAD will continue to be a leading producer of track shoes and road wheels well into the future. Along with the equipment modernization program, RRAD has developed a professionally trained staff of engineers, technicians, equipment specialists, rubber workers, systems operators, and inspectors in its Rubber Products Operations.

#### *3.4.3.2 Goodyear Tire & Rubber Co (formerly Cooper Tire & Rubber Co.)*

Opened in 1964, the Arkansas plant manufactures passenger and light truck tires for resale and OEM sales. In August 2017, the city of Texarkana approved the issuance of development bonds worth \$250 million to support an investment by the tire maker. The Texarkana operation was the largest, most productive, and profitable Cooper Tire plant out of 10 factories including four in the U.S. (Findlay; Texarkana, Arkansas; Clarksdale, Missouri; and Tupelo, Mississippi), three in Asia (two in China, one in Vietnam), two in Europe (England and Serbia) and one in Mexico. Goodyear bought Cooper Tire in 2021 and has continued to invest and expand the Texarkana plant.



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#### *3.4.3.3 SETCO Solid Tire & Rim Assemblies Co.*

Headquartered in Idabel, OK; the plant covers over 100 acres, with 750,000 sq ft under roof and prides itself on making the most durable, best built and long-lasting solid rubber tires for the most intense job applications. The company is a pioneer in the market and is one of the world's largest and most capable solid rubber tire manufacturers, built on decades of top-quality product that increases our customers' up-time, and increases their profits. This international business, because of in-house abilities, can take on any job and service the largest operations in the industry. Established in 1988, the company sells tires in over 20 countries and has distribution centers in the USA and Europe.



Whether you are looking to expand your business, your current lease is expiring, you are planning a move to Texas, or you have considered leaving the mid-south region, talk to us first!

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