

New plant to take root in Anderson

Michelin invests in future here



Pete Selleck, center, chairman and president of Michelin North America, is joined by Gov. Nikki Haley and U.S. Sen. Lindsey Graham to announce the company's \$750 million investment in a new tire manufacturing plant. KEN OSBURN/STAFF

Expansion will add 500 workers to company's payroll

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Michelin North America's latest expansion plans in its home state include putting 500 more South Carolinians to work — many in a new plant in Anderson County — and investing \$750 million to build its ninth Palmetto State factory and expand manufactur-

ing capacity at a plant in Lexington.

It's all driven by global demand for the company's line of earth-mover tires — the biggest Michelin builds — that customers use for a variety of heavy-duty tasks.

"There is unprecedented demand for Michelin earth-mover tires throughout the world," said Pete Selleck, chairman and president of

Greenville-based Michelin North America, adding the expansion is a tribute to the productivity of its employees and the state's pro-business environment.

"Nearly every earth-mover tire is sold before it's produced," he said. "Michelin is one of the very few companies in the world that is able to pro-

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» See photos from today's announcement and watch an interview with Michelin North America President Pete Selleck at GreenvilleOnline.com.

» For information on jobs, contact www.ReadySC.org and www.Careers.michelin-us.com.

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duce these high-technology tires."

Jean-Dominique Senard, managing general partner of Michelin, said in a statement that Michelin "intends to maintain and strengthen its leadership in all its specialty businesses, especially earth-mover radial tires.

"The market for earth-mover tires grew by more than 20 percent between 2009 and 2011. This new facility will help us meet sustained demand while also attaining our growth objectives for 2015."

Clemson University economist Bruce Yandle said that Michelin's decision leaves the company "well positioned for moving their product globally."

About 30 percent of Michelin North America's earth-mover tire production will be exported to Canada, many to the area of the tar sands, Selleck said. Another 50 percent will be exported through the ports and Michelin would like that to be the Port of Charleston.

That would require the dredging of the Port of Charleston to a deeper depth to accommodate larger ships.

U.S. Sen. Lindsey Graham, who said he worked as a carpenter's helper on the construction of Michelin's Sandy Springs facility, said the deepening of the port is a must.

"If our port is not competitive post-2014, our ability to create jobs will be lost," he said.

In addition to the Lexington facility, Michelin now produces earth-mover tires in six locations — two plants in France and plants in Canada, Brazil, Spain and Romania.

Sujit CanagaRetna, senior analyst with the Council of State Governments, said the announcement "is a reflection of the positive trends in the global economy. The economy globally is back on track."

Yandle agreed. The global economy is growing,

but it tends to be growing in less-developed areas.

"The high growth, which often is new growth, includes a lot of earth moving" with building roads, infrastructure and mining that requires the specialized earth-mover tires, he said.

Selleck said construction on the new plant in Starr will begin in a couple of weeks, with the first tire produced late next year and production ramping up in 2014 and 2015. The Lexington expansion will consist primarily of installing additional equipment in the existing facility.

"We believe manufacturing can succeed in North America," he said. "Michelin could have built this plant anywhere in the world."

CanagaRetna said, "That's a big deal. South Carolina has had this very impressive roster of companies associated with the auto industry coming in or expanding, positioning the state for growth and leadership."

Scores of Michelin employees lined the three balconies above the atrium at Michelin North America headquarters and cheered the announcement along with other invited guests.

"It is an absolute celebration when we announce expansions of existing companies in South Carolina," said Gov. Nikki Haley. "Michelin has been part of the economic and social fabric of South Carolina for decades and remains one of our finest corporate citizens."

Michelin, already the largest manufacturing employer in the state with more than 8,000 workers in South Carolina and 22,000 in North America, will begin hiring immediately, Selleck said.

The company arrived in South Carolina about 40 years ago and has "continued to invest in the future," Selleck said. Since Michelin first began manufacturing operations in the state, it has invested \$5 billion here. Also, it has invested \$2 billion in its research and development operations.

As part of the total investment, Michelin committed last year to add about 270 jobs and invest \$200 million in its existing Lexington passenger/light truck plant, with a total investment at the Lexington two-plant site of \$1 billion. The first tire from that expansion will roll off the line at 12:12 p.m. on Oct. 12.

The 825,000-square-foot Lexington plant, managed by Bryan Dunlap, has about 530 employees. It opened for production in 1998. The Anderson plant will be managed by Mark Hourihan.

The new facility, next to Michelin's Starr semi-finished product facility, will be the company's 19th manufacturing operation in North America and its ninth in South Carolina. In addition, Michelin's North American headquarters and its research and development arm are in Greenville.

"This is the catalyst," said Hal Johnson, president and chief executive of Upstate SC Alliance. "When you have your largest employer making another significant announcement, it's big. It says we're doing what it takes to be prepared."

And the effects will be felt farther than Anderson and Lexington counties as it spills over to nearby counties, he said.

"We're feeling real good today," said Tom Allen, chairman of Anderson County Council. "We're on the edge of good things happening in Anderson County" and the Michelin announcement just pushes that along.

The announcement "is a reaffirmation by a long-standing corporate member of the community that South Carolina is the right place to be," said Yandle. It's also part of a pattern of tire manufacturing moving more strongly into South Carolina and "another big nudge for Anderson."