State manufacturers steadily adding jobs



PATRICK COLLARD / Staff

Keith Crainer, performs a style change at Sage Automotive Interiors in Marietta.

Total manufacturing employment still down from two years ago

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Employees at Sage Automotive Interiors are working longer hours, and the company is increasing its head count.

As auto sales improve, there is more demand for Sage's products — door panels, seating and headliners for automobiles, said Dirk Pieper, president and chief executive of the Greenville-based company.

"The hours they're getting are up," Pieper told *The Greenville News*. "We have available positions open now. But we have a little bit of a gap" between the skills the company needs and the employee skills available in the region.

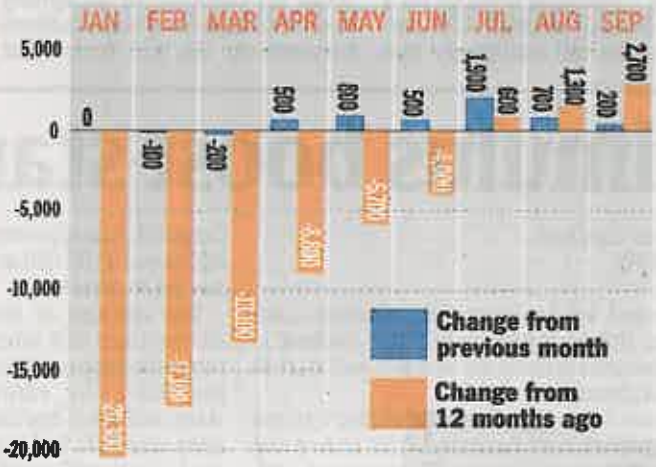
What's happening at Sage Automotive, with 1,099 employees at five U.S. plants, is also happening at dozens of factories across South Carolina.

In each of the past six months, the manufacturing sector has expanded its work force, according to the state Department of Employment

See JOBS on page 7A

Manufacturing job growth positive

For the past six months, manufacturing jobs in South Carolina have been on the increase. The manufacturing sector is helping lead the economy into recovery from the recession.



Source: SC Department of Employment and Workforce

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JOBS

FROM PAGE 1A

and Workforce. In September, the last month for which records are available, the agency said the number of manufacturing jobs was up 200 from August and up 2,700 from September 2009.

Demand for Michelin North America's tires is up, and the company has been hiring and continues to hire, said Dick Wilkerson, its chairman and president.

Demand for BMW Manufacturing Co.'s X5 sports activity vehicle and X6 sports activity coupe remains strong and indications are that the next generation X3 SAV also will prove popular, said Bobby Hitt, spokesman for the Greer plant.

And General Electric Co. last week signed a deal for heavy-duty gas turbines bound for Reliance Power Ltd. in India. The deal will keep 120 people busy at the company's local plant who might otherwise be facing a furlough next year, said William Standera, general manager of North American manufacturing for GE Energy.

But all the good signs don't mean the state has regained the manufacturing jobs it lost during the recession.

Two years ago, South Carolina reported about 240,000 manufacturing jobs. In January 2009, the state had a manufacturing work force of 227,899 positions. In September this year, the number of manufacturing jobs totaled 210,200.

Manufacturing jobs in the state are up about 1.3 percent from 12 months ago, said Steve McLaughlin, a state labor analyst with the employment department.

"We'll take all we can get," he said.

Sam McClary, also a labor analyst with DEW, said the state is seeing some modest recalls of laid-off workers.

"I think we badly need to create some jobs," said Kailash Khandke, Furman University assistant dean for study away and international education and professor of economics.

"The manufacturing sector seems to be relatively robust, relatively speaking," said Sujit M. CanagaRetna, senior analyst with the Council of State Governments. "This is actually popping up in a number of states."

Based on the Institute for Supply Management's index of manufacturing activity, "Production, employment, orders and inventories all suggest that firms have adjusted their expectations of top line revenues estimates to be consistent with continued growth ahead," said John Silvia, chief economist with Wells Fargo Economics Group.

October's ISM index, out Monday, came in at 56.9 points.

"Orders continue to show traction suggesting firms are planning for more growth ahead," Silvia said. "For now, there is no signal of a slowdown. The six-point jump in export orders reflects global growth and tied the second highest monthly gain on record."

U.S. manufacturing activity has expanded for 15 consecutive months, but momentum had been slowing since April. The October jump suggested new life in the sector that has been a key driver of the recovery after the recession officially ended in June 2009.

"This month's report signals a continuation of the recovery that began 15 months ago, and its strength raises expectations for growth in the balance of the quarter," said Norbert Ore, head of the ISM's manufacturing business survey committee.

The auto, computer and export sectors were key drivers of the higher index, the ISM said.

During the toughest times — when the build rate of vehicles was at its lowest — Sage Automotive laid off its temporary workers and employees in entry level positions and trimmed hours of higher skilled employees, Pieper said.

"We definitely try not to lay off our skilled employees," he said. Cutting hours "keeps them employed and keeps their benefits while allowing the company to expand production quickly as demand picks up."

"There's no question there was a huge issue," he said as the auto industry built about 8 million vehicles. The annualized build rate is now about 11.6 million and the annualized scrap rate, which never dropped, is 12 million to 13 million.

"We're beginning to see a lot of pent-up demand," Pieper said.

As Sage Automotive began hiring in the first two quarters of this year, "The key for us is matching the skill set," he said. "We do have entry level jobs. We fill those with relative ease."

But when hiring in the technical area — the employees who work with microprocessors and computers — it takes longer to find candidates with the skills needed, he said. "We will be able to fill those jobs."