

South Carolina's Tire Empire

BY DANA W. TODD

Each week, the average driver spends about 15 hours in the car. Though they may not think about it too often, effective tires are essential to that travel. These days, it is becoming more and more likely those tires are produced in the Palmetto State.

Three top-tier tire manufacturers recently announced plans to build or expand facilities in South Carolina. According to *Tire Business*, these investments will propel South Carolina as the No. 1 ranking tire producer in the nation in the next five years, leapfrogging Oklahoma and North Carolina.

Michelin North America, following an expansion announcement in May 2011, is investing another \$750 million to build an off-the-road (OTR) plant in Anderson as well as expand its OTR operations in Lexington. Bridgestone Americas is investing \$1.2 billion to build an off-road-radial (ORR) facility and expand an existing passenger and light truck tire plant in Aiken County. Continental Tire is building a new passenger and light truck tire manufacturing plant in Sumter and investing \$500 million in the process.

Both of Michelin's plant expansion announcements and Bridgestone's new plant will produce the extra large earthmover tires commonly used in the mining industry. A large portion of that market's production – 80 percent according to Michelin – will be exported because of unprecedented global demand.

A WILLING WORKFORCE

These companies will need to fill about 3,000 job openings in the next few years.

Dr. Doug Woodward, economics professor and director of research at the University of South Carolina's Darla Moore School of Business, said, "Traditionally, the automotive industry has the highest job impacts. The good part is where the jobs are located – many of them in a more economically challenged area of the state."

Is South Carolina's workforce ready to meet the technical demands of these jobs?

"South Carolina is known for having one of the best workforce training programs in the U.S.," says South Carolina Department of Commerce Secretary Bobby Hitt. "We're very focused on the importance of education. We have the best job candidates, but it's also the speed with which we



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can prepare them. We are trying to educate everyone about what a modern manufacturing workforce looks like. In manufacturing, training is a constant. Every plant has to get better at what it does every year."

For its part, Continental Tire is not expecting applicants to be fully trained prior to recruitment, according to Sumter plant project manager Craig Baartman.

"Many jobs are highly specialized, but there will be on-the-job training," Baartman says. "We have partnered with readySC and local technical colleges."

But, finding technically skilled workers can be a challenge.

"Hiring technically skilled people is one of the biggest issues we are facing," says Michelin's Vice President of Government Affairs Steve Evered. "All manufacturers have this challenge. That's where technical colleges come into play. We are in constant contact and have a good relationship with these colleges."

Encouraging young adults to pursue manufacturing careers is vital, according to business leaders.

"How do we encourage young students in middle school to begin thinking about a career in manufacturing? These are good jobs that are very well compensated. Most people don't understand a tire is a high-technology product and the design, construction and production is a complicated process," says Evered.

"We have a close relationship with Aiken Technical College," says Bridgestone's John Stewart, Graniteville plant manager. Bridgestone runs a Technical Scholar Program in which qualified technical college students work part-time at Bridgestone's manufacturing plant while attending school full-time, netting job training and scholarships to pay for books and tuition. Twelve graduates have been hired in full-time jobs at the plant through the program, according to Stewart.

RIGHT PLACE, RIGHT TIME

There are reasons why now is the right time to expand tire production in South Carolina. First, Dr. Woodward says the tariff placed on Chinese passenger tire imports creates a more competitive environment that is friendly to North American companies. A slowing European market diverts dollars to



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expansion in North America, where all three tire manufacturers making recent announcements already have thriving facilities.

In addition, Secretary Hitt says the automotive industry is resurging after declining from 2008 to late 2010, when auto sales decreased from \$17 billion to \$10.5 billion. The recession reverberated throughout the tire industry but gave manufacturers time to plan growth strategies to implement when the economy rebounded. Now, tire manufacturers are simply implementing those strategies, resulting in a surge of

investment in South Carolina.

Bridgestone's Stewart says, "South Carolina's friendly business environment was key in our decision. People here want to work, have a good work ethic, and the state has a good educational system."

"It's like a new universe out there now," says Hitt. "We still have a lot of growth to make up from where we were in 2008, and that's a lot of tires."

Dana Todd is a freelance writer and a public relations consultant based in Columbia, S.C.



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