

German Manufacturer To Build \$300m Miss. Plant

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JACKSON, Miss. (AP) — A German company will build a \$300 million plant in northwestern Mississippi to manufacture stainless steel pipes for the oil and gas industry, Gov. Haley Barbour and a company executive announced Monday.

The plant in Tunica County — about 20 miles south of Memphis, Tenn. — will be the first in North America by Wilh. Schulz GMBH, which is headquartered in Krefeld, Germany.

The company will make an initial investment of \$80 million to create 200 jobs, then expand to a \$300 million investment with 500 jobs within five years, Barbour said.

Barbour is asking Mississippi lawmakers to approve \$15 million in bonds for the project. Leaders say they expect the House to approve the incentives Tuesday and the Senate to approve the package on Wednesday.

"It's a very good investment," said Lt. Gov. Phil Bryant, who presides over the Senate.

Rainer Floeth, managing director and chief financial officer of Schulz, said construction should begin in the next few months and the plant could be open by early 2011. The company's Mississippi division will be called Schulz Xtruded Products, or SXP.

"We see this press conference as the starting point of a very long and successful story," Floeth said as he stood with Barbour at a state office building in Jackson. "We will put very heavy equipment in Tunica County, so there's no way for us to run away."

The pipes will be lined with a thin layer of expansive, corrosion-resistant material that will be bonded to the outer layer with a lower alloy of steel, Floeth said.

"Nobody in the world right now produces that pipe by that process," Floeth said. "It really is the masterpiece and we are looking forward to get started."

Barbour said the average pay for line jobs will be about \$32,000 a year. He said that's significant in one of the poorest areas of the state. Tunica County's economy has been sustained mostly by agriculture and, for the past 15 years, casinos.

Tunica County had a 12.1 percent unemployment rate in November, the most recent figures available. That was higher than the state rate of 9 percent and the U.S. rate of 9.4 percent.

Floeth said about 300 counties in the U.S. sought the project.

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"Nowhere we found what we found in Mississippi and in Tunica," Floeth said. "Very professional people, attentive, and very good to work with."

Barbour initially said in October that he would call lawmakers into special session to approve incentives for the project. In keeping with the usual state practice for large economic projects, the governor withheld the name of the company, but several lawmakers said in the fall that it would be a German company that makes steel pipes.

Barbour said in December the company was still lining up private financing. He said the state incentives will include a \$20 million loan guarantee for the company to buy \$60 million of equipment. Tunica County supervisors voted Monday to borrow \$4 million from the state to help with the project.

Barbour said after Schulz repays most of the state's investment, Mississippi will have spent about \$3 million to \$4 million on the project.

Barbour said the plant's high-tech jobs will boost the economy in a state where tax collections have fallen short of expectations for the past 16 months.

"I've said very often in the last few months that while I don't think the national economy is improving very much, if at all, I do think Mississippi has the chance to lead the country out of the recession — to be the first out of the chute, so to speak," Barbour said.

Barbour announced in early 2007 that Toyota would open a manufacturing plant in northeastern Mississippi by late 2010. That project has been on indefinite hold since late 2008.

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