CAT Chooses N.C. For Parts Plant, 500 Jobs

WINSTON-SALEM, N.C. (AP) — Heavy-equipment manufacturer Caterpillar Inc. said Friday it will build a parts plant for large mining machines and it expects to employ about 510 full-time and contract workers in five years.

Construction is scheduled to begin in November on the Winston-Salem factory where workers will machine, assemble, test and paint axle assemblies for large mining machines. Production is expected to begin in the first quarter of 2012.

Sites in South Carolina and Alabama had been in consideration for the plant.

The move is part of Caterpillar's plans to increase production of mining trucks. The North Carolina plant will allow Caterpillar to continue expanding existing facilities around the world, the company said.

"This location will improve our supply chain efficiency and, as a result, allows us to better serve our customers more effectively while reducing operating costs," said Hans Haefeli, Caterpillar's vice president of advanced components and systems.

The company last week reported strong sales of its mammoth mining equipment while announcing second-quarter profits surged 91 percent to $707 million.

The plant is expected to employ about 390 full-time workers in five years at an average wage of $40,482 a year, plus benefits. Caterpillar also expects to need another 120 contract workers at the plant.

State officials approved a package of tax rebates, credits and grants worth $16.8 million if the company meets and keeps hiring goals for 11 years. Winston-Salem and Forsyth County offered another $23 million, making the total package of economic sweeteners worth about $40 million.

Caterpillar now employs about 1,000 full-time workers in North Carolina at locations in Cary, Charlotte, Clayton, Franklin, Goldsboro, Morganton, New Bern, Sanford and Smithfield.

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