

Tire-Maker Hankook To Build \$800M Plant In Tenn.

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Erik Schelzig, Associated Press

CLARKSVILLE, Tenn. (AP) — South Korean tire-maker Hankook announced Monday that it will build its first North American plant in Tennessee, creating 1,800 jobs.

Hankook, the world's seventh-largest tire maker, said it will build the \$800 million facility in Clarksville. Construction on the 1.5 million-square-foot facility is scheduled to begin by the end of next year, and it will begin making high-end performance tires by early 2016.

Seung Hwa Suh, Hankook's vice chairman and CEO, called the construction of the U.S. plant "the next natural phase for our continued growth." He told reporters that the decision to locate in Tennessee was the result of a year of discussions with state officials, and he cited the central location and existing auto industry as major factors.

"Tennessee is the center of America," he said. "From a logistical point of view, this is a very good location for us to distribute tires to American consumers."

Nissan, General Motors and Volkswagen have assembly plants in Tennessee, and more than 900 further automotive sector companies are active in the state. Ford, GM and Toyota build vehicles in neighboring Kentucky.

"By supplying to major carmakers, our brand is getting better known in America," Suh said. The company supplies Ford, GM, Chrysler, Volkswagen, Toyota, Nissan, Honda, along with Korean automakers Hyundai and Kia.

Clarksville is also home to a steel cord plant for Japanese tire maker Bridgestone, which has its Americas headquarters in Nashville.

Not all the news has been good for the tire industry in Tennessee in recent years. Goodyear in 2011 shut its plant about 100 miles to the west in Union City, causing 1,800 workers to lose their jobs.

Tennessee Gov. Bill Haslam said officials showed Hankook several locations in the state.

"Our first goal, obviously, is to get them to locate in Tennessee," Haslam told reporters. "At the end of the day, they have to make the call. But we showed them locations throughout the state, including there."

The state offered \$72 million in incentives to improve infrastructure, training and a cultural program to help Korean families integrate into the community. Local

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governments approved another package worth \$50 million. Those figures don't include statutory tax credits that depend on investment and hiring thresholds, or the value of land where the plant will be built.

Haslam has warned that Volkswagen's talks with the United Auto Workers union at its Chattanooga plant could harm the state's ability to recruit other foreign manufactures to the state. He said the issue came up during talks with Hankook.

"It's fair to say that was a concern of the company," he said. "We've just been upfront in terms of what the situation is, and we've kept them abreast as things have developed."

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