

German Automotive Sector Has Major Success in Northeast Tennessee

Led by several major German auto companies, an advanced manufacturing hub is forming along Tennessee's Interstate 81 Corridor. Recent announcements in Morristown and Greeneville add significantly to Tennessee's investments from German automotive suppliers

A series of major automotive announcements testify to Morristown's attractiveness. Mahle Engine Components, headquartered in Stuttgart, Germany, has initiated a 5-year \$111 million investment program with 150 new jobs. Mahle employs more than 1,000 at its Morristown facility. JTEKT, a Toyota affiliate, has a

targeted the Greeneville plant for closure. A few months later, that decision was reversed.

According to Michael Supe, president & CEO of Huf North America, "We could identify that, here in Greeneville, we could count on our employees, like a big family." They did not hesitate to give us a clear

"We were competing with another Huf facility in Wisconsin for this expansion," Tom Ferguson, president of the Greene County Partnership, explained, "and I really think it was the large local and state incentive package, Greeneville's outstanding workforce, and our favorable location to serve BMW in South Carolina and Volkswagen in Chattanooga that ultimately put us over the top."

following the completion of Volkswagen's North American facility in Chattanooga.

Morristown, with roots in the furniture industry, has successfully transitioned to become a hub for advanced manufacturing after furniture companies moved operations overseas. Realizing that workforce development was critical to remain competitive, area colleges and technical schools successfully retrained the former furniture industry workforce for advanced manufacturing. Morristown Area Chamber of Commerce President Marshall Ramsey credits "the similarity of skills necessary for producing high-end furniture with requirements for auto sector employees as a key success factor."

In addition to the skilled workforce, Ramsey points out that Northeast Tennessee's excellent location with proximity to four interstate highways (Interstates 81, 40, 26 and 75) is critical. Also the fact that Morristown Utilities made the city a "Gig City" by providing fiber to homes and businesses, matching capabilities found in only the largest U.S. markets, has proven to be extremely attractive for new and existing manufacturers.

two-year project underway with a \$50 million investment and 125 new jobs. While most of the nation hovers around 12% industrial employment, Morristown usually sits between 22-24% and this allows Morristown to show industry that, not only are quality sites plentiful, but the workforce exists now.



In Morristown's neighboring city of Greeneville, German-owned Huf North America credits the local workforce as a driving factor in the company's January 2013 announcement of a \$20 million expansion to the Greeneville plant with the planned addition of at least 100 new jobs. Ironically, only about two years ago Huf North America announced it had

sign that they would not hesitate and that they would stick together -- not only in good times, but in bad times as well." The decision to reinvest in the Greeneville, Tennessee facility has proven to be sound as new contracts from Ford and BMW have been awarded, including a contract to supply every BMW plant worldwide.

Alan Bridwell, director of the Northeast Tennessee Valley Regional Industrial Development Association (NETVRIDA) affirms that, "The Volkswagen decision to build their facility in Tennessee has been a game changer in recruiting German investments. Tennessee now has a strong identity with EU companies and a proven track record of success."

The NETVRIDA team of economic developers regularly visits Germany to not only seek new Foreign Direct Investment but also thank existing companies for their investments in Northeast Tennessee. For more information regarding business sites in Northeast Tennessee, contact Alan Bridwell at (423) 928-1203 or e-mail abridwell@netvaly.org. **ES**