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"It's not just about 36 jobs'

Premier says \$4.38 million in support for Michelin an investment in province



By BEVERELY WARE South Shore Bureau

BRIDGEWATER — The premier announced Tuesday up to \$4.38 million in provincial support for a \$36-million expansion to Michelin's Bridgewater plant, creating about 36 new jobs.

Rodney MacDonald said it's an investment that shouldn't be measured in terms of the fewer than 40 jobs it will create but rather in terms of the support it shows for a major corporation that brings huge economic benefits to Nova Scotia. Such investments also help make the province look attractive to other corporations, he said.

"It's just not about the 36 jobs, it's about expanding upon the 1,100 jobs which are here at this plant and the 3,500 (Michelin) jobs which we have here in this province," the premier said. "If we want to see businesses like Michelin stay in our province, we need to continue to invest in them and they need to continue to invest in themselves."

Michelin Canada's general counsel said the government money was crucial to the French tire maker's decision to expand the Bridgewater plant instead of putting its money into any of its other plants around the world.

"It was essential," George Sutherland said.

Michelin says it has invested nearly \$2 billion in capital in Nova Scotia since it began operations in the province in 1969. It has also enjoyed substantial government support, most recently a five-year, \$10.8-million commitment made in January for an expansion of Michelin's Waterville plant.

In 2004, the province promised about \$4 million for a \$41-million expansion of the Waterville and Bridgewater factories. In the 1990s, the province forgave a \$47.5 million loan to the multinational and committed a further \$17.5 million for job training. In 1988, the province gave the world's largest tire maker a \$48-million loan for a \$450-million expansion.

It's all money well-spent, Mr. MacDonald said.

"I think it's important we play a role if we want to continue growing the economy here in our province, and I believe we have a responsibility to do that."

Michelin is investing \$32 million in the Bridgewater project announced Tuesday. The money will go toward an 8,700-square-metre addition to house more modern equipment and technology to produce steel cord products for use in making tires for earthmovers and trucks.

The expansion will increase the plant's steel cord production by 11 per cent. The cord will go to Michelin's plants in Waterville and in Lexington, S.C., where the tires will actually be made.

Carrie Bernard is the manager of steel cord production operations at the Bridgewater plant. She said there is a growing demand for tires for earthmovers that are used in everything from road construction to the Alberta oil sands. The expansion will also allow the factory to make steel cord for the new double-width X-One truck tires to be made at Waterville.

Last year, the former Liberal government in Ottawa approved giving Michelin \$9 million toward \$92 million in upgrades at Waterville. Earlier this year, ACOA Minister Peter MacKay said he was in discussions about whether to go ahead with that commitment. Mr. Sutherland of Michelin would not say Tuesday whether the company has the money.

"There'll be something to say on that shortly," he said.

Bridgewater Mayor Carroll Publicover said an announcement of the magnitude of Tuesday's "means an awful lot to a community our size."

While Bridgewater is not a one-industry town, town manager Ken Smith said Michelin accounts for 39 per cent of the town's commercial tax revenue.

Acting Economic Development Minister Carolyn Bolivar-Getson, who is also the MLA for Lunenburg West, praised the local employees, saying their quality work helped the plant land the deal to expand its steel cord production capabilities.

"Projects like this are not a gift, they have to be won," she said.

Ms. Bernard said the Bridgewater plant competed against others in North America, South America, Europe and Asia for the work.

Michelin makes tires for everything from the space shuttle to bicycles and is Nova Scotia's fourth-largest employer, with about 3,500 employees. The company, headquartered in France, has about 120,000 employees worldwide in 170 countries.

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