



GKN Sinter Metals Adding Jobs in Washington County

The world's leading supplier of metal power precision components, GKN Sinter Metals, announced a significant expansion and additional jobs at its Salem, IN location early this year.

When Sabrina Burdine, Executive Director of the Washington County Economic Growth Partnership, learned that a local manufacturing plant was in the running to add a new product line, she pulled together a team of local, regional, and state partners to help secure the project for the Salem, Indiana GKN facility.

"GKN Sinter Metals is one of several manufacturers we have in Washington County, and they are an important employer and investor," Burdine said. "(Plant manager) Jai Perumal came to me and discussed an opportunity to diversify the plant's output, which was very exciting news. But it sounded like he needed some assistance, and that's when my organization jumped into the fray."

GKN Sinter Metals is a global company. The Salem plant is one of more than thirty plants that produce manufactured goods for the parent corporation. And because of their strong productivity and successful track record, the Salem plant was given the opportunity to vie for a new production line that GKN was preparing to launch.

The Salem-based facility produces automotive engine and transmission parts for customers including Ford, General Motors, Allison Transmissions, Toyota, Honda, Mazda and Chrysler. The location in the Radius region provides strategically valuable access to a number of their customers, whose plants are located near Radius.

"In order to continue increasing our sales, it's important for us to expand our product offering as customer demands change," said Jai Perumal, plant manager at GKN Sinter Metals. "In order to exceed our customers' expectations, we want to continue investing in equipment and technology that result in quality products. As a leader in both the manufacturing and automotive industry, Indiana continues to be a great place for GKN to grow its footprint."

Burdine spoke to officials from the local government - the City of Salem - and Mayor Troy Merry to develop a property tax abatement package for the new equipment and plant improvements that would be installed if the Salem plant successfully landed the competitive GKN project, which was related to

manufacturing eight-speed and ten-speed transmissions for the automotive industry.

"We are very grateful to have GKN Sinter Metals in our community," said Salem Mayor Troy Merry. "Our city is fortunate to have a company invest millions of dollars to update equipment and renovate its current facility located in Salem. As mayor, I fully support GKN's commitment to expand in Indiana."

The Indiana Economic Development Corporation offered GKN Sinter Metals LLC up to \$100,000 in conditional tax credits and up to \$50,000 in training grants based on the company's job creation plans. The City of Salem approved additional incentives at the request of the Washington County Economic Growth Partnership – property tax abatements worth \$473,502. And the Regional Impact Fund administered by Radius Indiana also provided support for the expansion in the form of a \$100,000 grant to help the plant reconfigure portions of its internal electric system to accommodate the proposed new equipment.

"Our Regional Impact Fund is a unique tool that sets us apart from other regional economic development organizations in the country," remarked Radius Indiana CEO Jeff Quyle. "We will work with our local government partners and the State of Indiana to help make sure that the business community has the resources it needs to succeed."

As a result, with the assistance of the incentive package, the Salem plant won the investment in new equipment. The company will invest more than \$6.9 million to update equipment and renovate its current 220,000-square-foot facility, and will add up to 24 new jobs by 2020.