Arkansas Wind Turbine Plant to Stop Production

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LITTLE ROCK, Ark. (AP) — A $40 million wind turbine factory in northeast Arkansas that opened in 2010 with plans to employ more than 700 people announced Friday it would end production and lay off 40 workers.

Germany-based Nordex SE, parent company of Nordex USA, said the company had not received enough orders due to an uncertain U.S. market, overcapacity in the industry and an unstable outlook for a federal tax production credit.

The company said factory workers would be let go after existing orders have been filled. The layoffs are expected to start in October.

"This is a sad day for all of us at Nordex USA. We will lose valued colleagues, who have done their very best for us, but the decision was inevitable considering the underutilization of our plant," Nordex USA President and CEO Ralf Sigrist said in a news release.

The company will keep open its sales and service business in Jonesboro and Chicago.

Just a few years ago, wind energy appeared to be an important sector for growth in the Arkansas economy. It began when LM Windpower, then known as LM Glassfiber, opened a windmill blade factory in Little Rock. But the company has had several rounds of layoffs since it opened, the most recent last summer when about 230 workers got pink slips.

Mitsubishi Power Systems America had to put on hold a $100 wind turbine plant planned for Fort Smith due to a patent dispute with General Electric Corp.

Nordex had planned to open a windmill blade component manufacturing operation but the market didn't grow enough to do so.

Germany-based Beckman Volmer North America LP opened a $12 million factory in Osceola, also in northeast Arkansas, in part to supply the Nordex plant with steel parts.

Nordex said it will provide turbines for markets in North America and Latin America from its one remaining factory, which is in Germany.

The chief executive officer for Nordex SE, Jürgen Zeschky, said in a news release that the company has long-term intentions in the U.S. and Latin American markets, which he said have "great potential."

"With this decision we also increase our flexibility to react to U.S. demand for our

turbines out of one single plant in Rostock, Germany. We will be maintaining the extensive expertise in sales, engineering, service, project management, training and support which we have built at our Chicago and Jonesboro locations to continue the growth we have achieved through these challenging times," Zeschky said.

Nordex has offices and subsidiaries in 22 countries and employs more than 2,500 people globally.

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