Hankook To Build $800 Million Plant In Tennessee

Erik Schelzig, AP

South Korean tire maker Hankook announced 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 build the plant 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.

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

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