

MANUFACTURING'S BRIGHT SPOTS



JANET B. CAMPBELL/Erie Times-News

ChipBLASTER machinist Jeremy Meacham works on a manifold box at the Crawford County Industrial Park on Friday. Though manufacturing jobs continue to slip away in much of the nation, it appears Crawford County's industry could be on the rebound.

Outlook optimistic for rebound

By **JIM MARTIN**
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MEADVILLE — It was news no one wanted to hear, especially Mark Turner.

It was March 2005, and Andover Industries Inc. had filed for bankruptcy, which meant 250 people at the company's plant in Meadville would soon be unemployed.

And it left Turner, executive director of the Economic Progress Alliance of Crawford County, with a 250,000-square-foot vacancy to fill in the Crawford County Industrial Park.

TALK ABOUT IT
How has Erie County dealt with losing 12,000 jobs in manufacturing since 1990?
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Today, a little more than three years later, those voids — the space and the jobs — have been filled by a collection of new, smaller companies.

Along the way, Crawford County's manufacturing employment has clawed its way back to 8,000. It had

fallen to as low as 7,595 in 2003.

Erie County has done almost as well. In the past five years, the county has lost just 200 manufacturing jobs overall, according to an analysis by the Economic Research Institute of Erie. Total manufacturing employment as of June was 23,600.

More significantly, 16.5 percent of all Erie County residents still make things for a living — things such as locomotives, helicopter parts, electromagnets and plastic containers.

JOBS BEING ADDED



FILE PHOTO JACK HANRAHAN/Erie Times-News

After being assembled at GE Transportation, locomotives are put in a bay to be tested. GE is a bright spot in Erie County manufacturing, adding more than 1,000 jobs in the past few years — 400 recently.



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Derek Walsh, a machinist with Acutec Precision Machining Inc. works on an aluminum part at the Crawford County Industrial Park. Acutec has made plans to double its size in the next five years.

➤ Please see **MANUFACTURING'S**, 4A

'Manufacturers who have a commitment to stay domestic will find a way to remain competitive.'



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Mark Turner, executive director of the Economic Progress Alliance of Crawford County, has helped businesses get established in the Crawford County Industrial Park. Here he stands in the Donald E. Dillon Center, which includes a food court, a gallery entrance and a loft office. "Manufacturing in Crawford County is not dead," Turner says.

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Continued from 1A

That gives Erie County the 12th-highest concentration of manufacturing in the United States, according to a recent report in the Wall Street Journal. This is happening when much of the rest of the country is bleeding manufacturing jobs.

Since early 2001, Pennsylvania has lost 21.9 percent of its manufacturing jobs, falling from 830,800 to 648,500.

Nationally, 35,000 manufacturing jobs were cut in July alone, according to the latest U.S. Bureau of Labor report.

Such a comparison leaves Jake Rouch, vice president of economic development for the Erie Regional Chamber and Growth Partnership, feeling optimistic about the region's future.

"Erie County hasn't run away from manufacturing," he said.

Quite the opposite, he added.

"Right now, the weak dollar has made us very attractive for international investors," he said. "We have gone from being highest-cost producer to a low-cost producer."

He said the companies that have prospered have had a global focus.

He concedes that two things have helped local manufacturing: The declining value of the American dollar has made local



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Acutec Precision Machining Inc. machinist Derek Walsh works on a part at the Crawford County Industrial Park. Acutec makes parts for industries including aerospace, defense and power generation.

producers more competitive against foreign ones, and GE Transportation has done a lot of hiring.

GE Transportation has added about 400 jobs in recent months and more than 1,000 over the past few years.

"You are not going to find many employers that have added that many jobs," Rouch said. "It's a great success story of workers partnering with management and getting the global picture."

Crawford County's success as a manufacturing center has been built by smaller companies.

In Crawford County, manufacturing employment in the summer of 2003 — considered the low point after a recession and the near-collapse of the tool-and-die industry — stood at 7,585. Five years later, 8,000 Crawford County residents work in manufacturing.

Brian Dean, president of Nu-Tec Tooling Systems Inc. in Meadville, saw it happen. Employment at his company fell to a low of 28 a few years ago. Today, he has 55 employees.

"My perspective is that manufacturers who have a commitment to stay domestic will find a way to remain competitive,"

Drop in manufacturing employment



SOURCE: Economic Research Institute of Erie

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he said. "There is a certain segment of manufacturing that is going to make a commitment to improve their processes and products and remain in the United States."

Dean, who has a new electrical engineering starting Monday, counts himself among those who aren't about to leave.

And he and others find optimism in some other key indicators of local manufacturing:

■ GE Transportation, where local employment now stands at 5,500.

■ Dad's Pet Care in Meadville, which recently added employees as part of a plan for the regional company to go national.

■ Saegertown-based Acutec Precision Machining Inc.,

which laid groundwork to double its size in the next five years.

Buoyed by the recent growth, Turner, who has about 900,000 square feet of industrial space, said he's eyeing a \$2.5 million rehabilitation to foster growth among other companies.

In short, he's doing what a lot of local manufacturers are doing: He's hoping for growth in a sector many had given up on.

"It's kind of an interesting story and maybe an indication of things to come, but manufacturing in Crawford County is not dead," Turner said. "It's alive and well."

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WHAT IT MEANS

Manufacturing jobs have been especially hard-hit in recent years. The nation shed 35,000 manufacturing jobs in July alone. In addition, U.S. manufacturing production was flat in July, according to the Associated

Press. The Institute for Supply Management says its manufacturing index came in at 50, indicating neither contraction nor expansion. That is down slightly from June's reading, but better than expected. The news

has been a little better closer to home. After a rapid loss of manufacturing jobs from 1999 to 2003, manufacturing employment in Erie County has leveled off. In Crawford County, there are signs of a small rebound.