

Formosa expansion to add 1,500 jobs here

By PAUL CONATZER
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Eight months ago, Formosa Plastic Group's chairman Y.C. Wang galvanized Calhoun and the surrounding counties with his announcement that a \$1.3 billion chemical plant complex would be built in Point Comfort. That figure has since risen

to \$1.7 billion. The plant will employ 1,500 workers.

Construction on portions of the project got underway in May. If the gargantuan project is completed according to schedule the nine plant complex should be finished by March 1991.

The expansion, which is the largest one-time investment by

a petrochemical company in the state's history, will create an estimated 3,000 to 4,000 construction jobs.

Currently, the non process site construction is underway, with the construction entrances and cyclone fence, 18 miles construction roads, a 72,000 square foot administration building and a 125,000

square foot warehouse soon to be constructed.

According to Bill Jones, the expansion team has grown to around 50 people, mostly engineers and administrative personnel.

Jones said that subtle economic changes are taking place in Calhoun County. He indicated that property values are beginning to rise. The first economic changes were seen in the restaurant lunch business as vendors and contract/bidders visit the company's expansion office in Port Lavaca and gas station business is up with travel to and from the office. It is expected that by the end of this year 400-500 construction workers will be on site and by the end of 1990 there will be around 4,000.

When the nine plant complex is completed it will cover 975 acres and employ about 1,500 workers.

Included in this number are 1,300 hourly workers including lab technicians, process operators, maintenance and shipping personnel. The plant will also employ 200 salaried professionals, including administration personnel, managers and supervisors, environmental and safety personnel, along with all types of engineers, mechanical, electrical, chemical, there is an immediate need of 18-20 chemical engineers.

To apply for a position at Formosa, hourly applicants need to apply through the Texas Employment Commission and professional applicants should send resumes to the personnel manager in the Port Lavaca office.

According to Jones, Formosa is actively looking at the local labor pool. It will benefit the company to hire as many Calhoun County residents as possible, because the tax abatement agreement the firm has with the county and the school district allows for extension of the 100 percent abatement after the third year of the abatement if 33 percent of the firm's employees are Calhoun County residents.

The company will look towards Calhoun County first to supply their needs, but realisti-

cally, the company cannot expect Calhoun County to supply all the goods and services for a project of this magnitude, Jones said.

Noted Texas economist Ray Perryman said the Formosa project will be the catalyst for a "New era of prosperity for the region... Fueled by the petrochemical industry... not oil and gas as in the past."

Formosa is very concerned about the environment, Jones said. The plant will use the best available technology. The technology will come from all over the world, including Japan, Taiwan, Germany, Italy and the United States.

The complex will be vertically integrated with plants feeding off one another. The downstream plants will produce polyethylene and polypropylene, which are the basic building blocks for most plastic products.

The complex will include a 680,000 metric ton ethane cracker, as well as plants for the production of high density polyethylene, linear-low density polyethylene, ethylene dichloride, caustic soda and chlorine.

Most of the complex's production (70 percent) will be for the world market.

Oct. 31, 1988 will be a day long remembered in Calhoun County as a press conference at the Bauer Community Center brought the news that Calhoun County had long been waiting for.

At the time of the announcement, Wang, speaking through his son Winston, said, "I would like to thank Gov. Clements, Sen. Gramm, Congressman Sweeney, Lt. Gov. Hobby, Secretary of State Rains, and Rep. Holzhouser and the members of your staffs for being here today, sharing our good news and for the critical support you have given to make this day a reality."

The sage of the plant started in earnest in February of 1988, when a group of Calhoun County officials visited Taiwan in an effort to spur an expansion of the plant.

Wang said Formosa worked

very closely with the Calhoun County Economic Development Corporation and they helped the company identify ways and means to meet requirements.

According to Wang, Formosa Plastics started with a \$670,000 development loan from the U.S. government.

"Today, with all those memories, I am even more grateful and determined to repay that kindness by erecting tall buildings on the foundation that we have laid down at this moment."

"I have strong faith in this country, in its system and especially in its people. I believe that thousands of consumer products made from petrochemical raw materials currently being imported can be economically manufactured in this country if we use the right approach," Wang said.

"Chairman Wang is the epitome of the free enterprise ideal," Clements said during the press conference, which attracted a huge media following.

Clements said Wang met often in Austin with himself, Gramm, Rains and Armbrister to discuss the effort to bring the facility to Point Comfort.

Clements gave Gramm the lion's share of the credit for getting Formosa to locate the facility in Point Comfort.

According to Gramm, he and Clements were able to get government agencies and private enterprises to work together.

In addition to the expansion, Formosa Plastics has acquired Neuman Production from Alcoa and formed Formosa Hydrocarbons. This company will also expand its facilities to meet the needs of the new plant.

Formosa started work on the original Point Comfort plant in 1980 and completed it in 1982.

During 1987, the plant expanded adding a liquid chlorine loading and unloading facility. The liquid chlorine is used in making ethyl dichloride, which is the plant's feedstock.

The company also completed a \$10 million cogeneration project which supplies the plant with its own electricity.

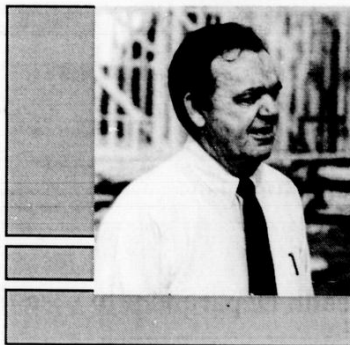


Formosa welcomed

A large crowd of state and local leaders jammed the Bauer Community Center last fall as Formosa Plastics Chairman W. C. Wang announced the company would build a major expansion of its United States' operations in Point Comfort. The new plant is expected to create 1,500 new jobs in the county.

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