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Horst Engineering Shifting Production to U.S. Operations

Skilled labor in Connecticut and Massachusetts unavailable in Mexico

EAST HARTFORD, CT., May 13, 2014 – Horst Engineering, a leading contract manufacturer of precision machined aerospace components, announced that it is moving production from its Mexican plant and increasing production at its United States plants. The company discontinued operations at its Guaymas, Sonora, Mexico, facility, which employed about 50 people and was established in 2006.

“After careful evaluation, our management team decided to expand operations in the U.S. rather than continue to do so in Mexico,” said Scott Livingston, Horst Engineering Chief Executive Officer. “The workforces in Connecticut and Massachusetts are so highly skilled that it makes up for what was a perceived lower cost of doing business in Mexico. It was proving very difficult to recruit sufficiently skilled labor there.”

“Recruiting skilled workers in the U.S. is still a major challenge, and the cost of doing business in New England remains high, but our decision resulted from careful analysis of all related financial considerations. With an eye toward future return on investment, it makes the most sense to move production from Mexico and expand in the U.S. where we have an established base of skills,” he said.

The move represents a major phase of reinvestment in the company’s domestic operations. “We are excited to strengthen our local ties, particularly because the aerospace industry is so firmly entrenched in the northeast where there is a talented pool of workers and a strong network of suppliers that are important to our success,” Livingston said.

As a first step, the company has established a satellite plant in South Windsor, and is evaluating incentives and other opportunities in both Connecticut and Massachusetts. It will assess which locations will be best to expand and grow the workforce in the future. The company said its expansion will accelerate through 2015 and 2016.

With the move to the U.S., Horst Engineering expects to increase its investment in advanced manufacturing technology to support the growing needs of customers. “By focusing on our New England operations, we will have better oversight of plant operations and we will strengthen our systems,” said Livingston.

About Horst Engineering:

The Horst Engineering Family of Companies was founded in 1946, and is a privately held contract manufacturer of precision machined components and assemblies for aerospace and other high technology industries. Its core processes include Swiss screw machining, turning, milling, thread rolling, centerless grinding, honing, and assembly. The company currently employs 40 people at Sterling Machine in Lynn, Massachusetts; and 95 people at Horst Engineering, and Thread Rolling Inc., in East Hartford, Connecticut.

www.horstengineering.com

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