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WACKER SILTRONIC'S EFFECT ON OREGON'S ECONOMY STUDIED

The Oregon Economic Development Department today released a case study detailing Wacker Siltronic Corporation's effect on the Oregon economy.

The benefits of Wacker Siltronic's Portland plant reach all areas of the state. Wacker buys from over 500 firms of all sizes and many industries in Portland and some other Oregon cities. The additional demand for goods and services Wacker places on those 500 firms may cause some of them to hire more employees. In this way a plant located in Portland increases employment in other Oregon locations.

Of a total initial investment of \$65 million, Wacker Siltronic spent approximately \$32.5 million in Oregon on construction of its first plant in 1979. Assuming an economic multiplier of 2.0, those dollars generated an additional \$33 million as they passed through Oregon's economy.

Wacker is currently undergoing a major plant expansion at its Portland site. The plan calls for an investment of \$85 million by 1988, \$42.5 million of which will be spent in Oregon. That expenditure could generate an additional \$43 million for other Oregon firms and citizens.

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The German-based silicon manufacturer spent \$35.7 million of its total 1983-84 operating expenses in Oregon. That direct expenditure generated approximately \$36 million of income as it moved through Oregon's economy. By 1988, when the expansion is completed, the firm expects to spend about \$80 million per year in Oregon. That could stimulate an additional \$80 million of income annually for Oregon's economy.

Wacker Siltronic directly provided an average of 671 jobs during 1983-84. Assuming an economic multiplier of 2.7, the company's demand for goods and services during the year created an estimated 1,141 jobs at other Oregon firms directly or indirectly supplying Wacker. When the expansion is completed in 1988, Wacker expects to have 1,400 on its payroll. The expanded operation could then support about 2,380 jobs at other businesses in Oregon.

Nearly \$3 million in Oregon tax revenue was generated by Wacker's Oregon operation during 1983-84. That figure included taxes paid by Wacker, and income taxes paid by job holders directly or indirectly supported by Wacker's business in Oregon. Tax revenue will grow dramatically during Wacker's expansion as the firm increases employment and expenditure levels, and becomes more profitable.

"The report was produced in cooperation with Wacker Siltronic," said Laila F. Cully, Manager of the Business Information Division. "We wanted to measure the impact of major plant investments on Oregon's economy and their relationship to existing Oregon small businesses. Similar new investments or plant expansions could create the same kind of effect."

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