

The Daily Item

Mexico's loss may be Lynn's gain

By Cyrus Moulton

LYNN — The parent company of local manufacturer Sterling Machine has shuttered a plant in Mexico and is expecting to double the size of its local facility by the middle of next year, company executives announced Thursday.

“The workforces in Connecticut (the location of the parent company, Horst Engineering) and Massachusetts are so highly skilled that it makes up for what was a perceived lower cost of doing business in Mexico,” Scott Livingston, Horst Engineering chief executive officer, said in an announcement.

- “We’re happy that they want to expand, happy that they want to stay in Lynn,” Jim Cowdell, executive director of the city’s Economic Development and Industrial Corporation, said Friday.

Sterling Machine on Farrar Street manufactures small parts — nuts, bolts, pins, etc. — for machinery used in the aerospace industry including Lynn’s largest employer, General Electric. Horst Engineering, of East Windsor, Conn., bought Sterling in 2013. Horst had also opened a plant in Guaymas, Sonora, Mexico, in 2006. But reviewing the New England plants made the company realize that the supply chain and access to skilled labor was more reliable in New England than in Mexico.

Yes, (in Mexico) direct labor is at lower cost,” Livingston said in an interview Thursday. “But so many other costs, some things changed over time, and it led us to re-examine our plan and refocus on our New England operations.”

Livingston said Horst has already renovated its Connecticut facility, added a satellite location and hired more workers. It hopes to double the size of Sterling; but Livingston acknowledged that the company is currently looking at properties outside the area.

Nevertheless, Livingston said that the company remained committed to Lynn, which continued to offer the labor force and training programs that Sterling Machine needs.

“The demographics are still very much industrial,” Livingston said. “And we have a diverse workforce that is committed to what we do, which is why we’re committed to Lynn.”