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## TRIANGLE BUSINESS JOURNAL

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# Caterpillar to lay off 121 at Clayton plant

Triangle Business Journal - by [Jeff Drew](#)

Heavy-equipment maker **Caterpillar** will cease production of backhoe loaders at its Clayton plant and lay off 121 workers there, company spokesman Jim Dugan said Wednesday.

Affected workers at the Clayton facility were given official notice of the layoffs Wednesday, though Caterpillar (NYSE: CAT) had told employees last fall that changes would be coming as the company transforms the Clayton plant into a "global center" for the production of small wheel loaders, Dugan said.

Caterpillar will shift the backhoe-loader production to a facility in the United Kingdom. The company then will "almost immediately" begin the process of tearing out the backhoe assembly line in Clayton and putting in equipment that assembles small wheel loaders, Dugan says.

Wheel loader production at the same U.K. facility that is picking up the backhoe production is to be shifted to Clayton before the end of the year, Dugan says. Also, Caterpillar expects to roll out a significant update of its small wheel loaders in the near future, according to Dugan.

The wheel loader changes will require a substantial investment in the Clayton facility, Dugan says. He declined to give an estimate of the amount because Caterpillar's policy is not to break down investments at the facility level.

A similar policy on staff levels makes it difficult to gauge exactly how many employees Caterpillar has at the Clayton plant or at its two other Triangle locations, in Sanford and in Cary. Dugan would say only that Caterpillar employs 1,800 in North Carolina and that a "good portion" of those 1,800 work at the three Triangle facilities.

Dugan says Caterpillar anticipates hiring for the Clayton plant as wheel loader production ramps up, but again, he declined to provide any numbers.

"When this is done, the Clayton facility will be transformed into a global source for small wheel loaders," Dugan says. "We think that will be very positive for Clayton."

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Caterpillar CEO Jim Owens.

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