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Seagate brings hope to Northern Ireland city

The Associated Press

LONDONDERRY, Northern Ireland — Roisin O'Donnell never thought she'd find a good job in her troubled hometown. Then Silicon Valley knocked on her door.

"I assumed I'd have to go to England or America, just like everyone else in my class," said O'Donnell, a 24-year-old electronics engineering graduate of Queen's University in Belfast. "This opportunity was built on my doorstep. I feel very lucky."

With its business booming and Northern Ireland enjoying its first fragile peace in decades, Seagate Technology also feels lucky.

Seagate, based in Scotts Valley and the world's largest independent maker of computer hard drives, opened a plant last year near an impoverished neighborhood in this predominantly Roman Catholic town.

It seemed risky, despite the huge start-up subsidies Britain offered for coming to Northern Ireland's second-largest town — a place divided right down to its name: Protestants call it Londonderry, but Catholics say Derry.

But within eight months the outlawed IRA and pro-British gangs unexpectedly laid down their guns. And the Seagate operation continues to expand with brainpower supplied by Northern Ireland's strong university system and big bucks from Britain.

"We're recruiting every day. We're about two years ahead of our schedule. The only limitation is how quickly we can train people," said managing director Michael Caulfield.

"Every time we advertise a fresh patch of positions, it's like the postman bringing letters to Santa Claus."

Today the firm employs about 400 people. This month, Seagate announced plans to recruit and train another 450 workers in the next few years — big news in this town of 80,000 where one in four adult males is on welfare and the most ambitious traditionally emigrate.

Seagate's success story will feature prominently beginning Wednesday when President Clinton hosts a three-day investment conference in Washington aimed at promoting Northern Ireland as a good business base.

The Clinton administration sees private investment as the best way for America to promote peace in a land where unemployment has fueled support for paramilitary killings since the province's "troubles" reignited in 1969, first in Londonderry.

As Northern Ireland's instability scared away most U.S. investors, more than 30 international high-tech firms, including Intel Corp., located plants in the Irish Republic. Civil war there wasn't a prospect, education standards are similarly high and unemployment runs

even higher: about 15 percent to Northern Ireland's 12 percent.

Getting Seagate to look north took some determined blarney from city fathers. Key was the cross-Atlantic diplomacy of John Hume, the area's respected Catholic member of British Parliament, who pitched Londonderry out in Silicon Valley and escorted Seagate executives around the countryside in 1992.

The town's association with street violence — most notably the killing of 13 Catholic demonstrators by British troops on "Bloody Sunday," 1972 — faded with Hume's courteous, chain-smoking persistence.

"Let's face it, I had always thought Londonderry was a bleak, awful place. And keep in mind I'm from Belfast," said Caulfield. "Now I live here and know better. The people are incredibly close and friendly."

Caulfield is candid about why Seagate picked Northern Ireland.

"Money. Lots and lots of cash goes straight from the government into Seagate accounts. It's a very good deal," he said.

Nobody will disclose exactly how much the British government's Industrial Development Board paid for Seagate's \$95 million plant.

But the IDB can cover up to half the cost for new factories and offices. Caulfield conceded Seagate got near the maximum as Northern Ireland outbid development agencies in southern Ireland, Scotland, England, Wales and Asia.

To meet Seagate's expansion plans, the IDB has pledged another \$18 million to subsidize a new manufacturing line to keep Seagate competitive with its rivals IBM and Quantum, he said.

The Londonderry plant produces 5-inch-square "wafers" containing hundreds of heads for operating hard drives, the devices that store and retrieve information in computers. The delicate tiles are shipped to Seagate assembly plants in Malaysia and Bangkok.

Engineers regularly have three-month training stints at Seagate's older head-making plant in Minneapolis. Up to half of all training costs are covered by British taxpayers.

Unlike many employers in Northern Ireland, Seagate must work hard to recruit Protestant employees to meet the province's tough anti-discrimination rules. Seagate is located on the city's Catholic west, so recruiting from the predominantly Protestant east poses the problem.

Caulfield places ads in the town's two papers with separate Catholic and Protestant readerships, the Derry Journal and Londonderry Sentinel, and supports a special jobs-training program in the Protestant east side.