

Press release -

Oil engineering firm enjoys slick success as Michelin Development loans fund passes £3m mark

Michelin Development's business loans fund has passed the £3m mark with firms such as Arbroath oil industry solutions company Brumac Engineering Ltd enjoying slick success as a result.

Michelin Development – the business development arm of Michelin Tyre Plc – provides loans to small and medium sized companies like Brumac Engineering Services and is celebrating after seeing the loans fund go past the £3m mark. The loans cash has provided a rich seam of funding for companies looking to buck the trend during the economic downturn, with Brumac Engineering Services – who design, manufacture and commission bespoke engineering solutions to the oil industry and other sectors – being a case in point.

Brumac Engineering Services received a £32,000 loan from the Michelin Development Fund providing the company with necessary cash flow to invest in vital equipment and systems to help expand and take the business forward. The funding was agreed with a plan to create eight jobs over a 12 month period.

The Arbroath firm has reached the jobs target within the 12 month period and is now looking to expand further. It's led to a spurt of contracts and projects including designing a control system for a sub sea pipe laying ship and developing control systems for cement mixing and chemical injection equipment for offshore in the UK and Norwegian sector of the North Sea.

Fraser Dunphy, Managing Director of Brumac Engineering, said: "The loan from Michelin Development provided a much needed boost to our cash flow. We were having difficulty negotiating a required bank overdraft when we secured the Michelin Development Loan

"We would not have done the business we have done in the last 12 months without the cash from the loans fund. It really has been a terrific help to us.

"We are a technology based company and our strategy is to invest in the future – two of our first employees were an apprentice and an adult trainee electrician – and this policy has also been helped greatly by the loan."

The support initiative has proved a cash pipeline throughout the business chain, as the Michelin Development loans fund money helps companies like Brumac Engineering, grow their businesses and buck the trend in the current economic downturn. Michelin Development has now loaned over £3m to new start-ups, small and medium sized existing businesses and in the process has helped create over 1400 jobs.

David Thomson, Dundee Business Development Manager for Michelin Development, said "We are very pleased to see the fund go past the £3m mark but more importantly we are extremely proud to have supported the creation of 1400 jobs.

"By helping forward thinking progressive companies like Brumac Engineering, Michelin Development can play its part in injecting a vibrancy and sustainability to the regional economy which in turn will help create a climate in which other start-ups and enterprises can flourish."

Michelin Development Ltd is dedicated to helping small and medium sized businesses that can create new employment in the many areas of the UK where Michelin has present or historic links with the community. The UK operation, which is part of a European initiative to support entrepreneurs, helps expanding businesses by sourcing competitive loans and offering free business advice.

Over the five years since it was formed in the UK, Michelin Development has helped around 130 new enterprises in industries as varied as engineering, construction, IT and fine china.

Michelin Development in the next year is looking to loan a further £1 million, help another 30 companies and create around 250 jobs. Interested parties should refer to www.michelindevelopment.co.uk to see how to qualify.

Michelin has been established in the UK for 100 years and has manufacturing and commercial premises on five sites throughout England, Scotland and Ireland. In addition to tyres the Company produces its famous range of Michelin hotel & restaurant guides and maps.

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