



Job cuts to come, say Ford and Jaguar

Published: 10th January 2019

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Online version: <http://www.wheelswithinwales.uk/job-cuts-to-come-say-ford-and-jaguar/>

Ford and Jaguar will be cutting jobs this year as they face severe losses.

Exact numbers are not known today but last year workers at Bridgend Engine Plant were sent letters suggesting a possible voluntary redundancy programme this year after expectations of lower engine demands from vehicle assembly plants around the world.

Unions in the South Wales plant said over 1,000 jobs might go and leave a nucleus of approximately 700 making the newest EcoBoost engines, but for a radically different model range than present.

Ford has not put a date on the turnaround plan but wants it to happen as soon as possible pending talks with unions across Europe and Russia. It wants to return to a modest 6% profit margin on its European business.

It has already said it wants to concentrate on the new generation of Crossover models and its best sellers, the Fiesta and Focus, the Mustang sports car and new pickups and vans, likely to be built in collaboration with Volkswagen and anticipated to be announced in Detroit motor show next week. Some familiar models like Mondeo, Galaxy, S-Max and C-Max are predicted to disappear over the next few years and powertrains will be rationalised.

The collapse of diesel engine demand will affect Ford Dagenham in particular and the company said it will be ending production of some automatic transmission lines. Ford in Britain will move office staff out of Warley to share space with Ford Credit in Dunton.

It will, however, ramp up its offerings with electric powertrains across the surviving model range, including a sporting pick-up to come.



Rival General Motors raised profits by selling its European Opel and Vauxhall brand to France's Peugeot SA and it has turned around its European operations with radical production changes.

Ford employs 53,000 people in Europe, has struggled to turn a profit, posting a 245 million euros loss before interest and taxes in the third quarter, widening from \$192 million a year earlier, and equivalent to a negative 3.3 percent EBIT margin. Savings made last year should lift the bottom line in 2019.

"We are taking decisive action to transform the Ford business in Europe," Steven Armstrong, group vice president, Europe, Middle East and Africa, said in a statement.

Armstrong declined to quantify the scale of job cuts, pending negotiations with labour leaders, but said staff reductions would run into the "thousands".

Ford aims to achieve the labour cost reductions as far as possible through voluntary employee separations in Europe," the carmaker said.

A likely future new technology and model alliance with Volkswagen is likely to be announced next week after months of negotiation.

Ford's announcement follows Britain's biggest carmaker Jaguar Land Rover revealing 4,500 job cuts, mostly in the UK and in management positions.

Britain's biggest carmaker Jaguar Land Rover faces double-digit drops in demand in China and a slump in sales for diesel cars in Europe and while its Midlands' Castle Bromwich plant is expected to take the brunt of redundancies as its models are slow sellers, it has also opened new assembly plants abroad but these are also seeing a slowdown.

The company spent millions of pounds preparing for Brexit, in case there are tariffs or customs checks, and having a European assembly plant could help soften the blow. It also builds cars in the Far East and South America to supply local markets.



JLR swung to a loss of £354M between April and September and last year cut around 1,000 jobs in Britain among agency contracted staff, shut its Solihull plant for two weeks and announced a three-day week at its Castle Bromwich site. It also extended its closed order book for V6 and V8 petrol engines built for them in Ford Bridgend Engine Plant.

The Tata Motors-owned company has unveiled plans to cut costs and improve cash flows by 2.5 billion pounds including “reducing employment costs and employment levels.”

Those cuts will be “substantial” and run into the thousands, the source told Reuters. “The announcement on job losses will be substantial, affecting managerial, research, sales, design.”