

Detroit Free Press

Ford plans 'significant' job cuts throughout Europe

By Phoebe Wall Howard (excerpt)
January 10, 2019

Ford said early Thursday it will cut hourly and salaried jobs in Europe as part of a "comprehensive transformation strategy to strengthen its brand and create a sustainably profitable business in Europe."

It did not say how many jobs it would cut, noting that talks with unions are just starting. The automaker has lost nearly a billion dollars in Europe in the last five years, and the long-expected cuts are part of a global "fitness" plan. ...

... General Motors has already pulled out of Europe.

Bob Shanks, Ford chief financial officer, has been reporting big losses in Europe, Asia and South America. He told financial analysts after quarterly meetings in 2018, "Clearly our European business requires a major redesign."

But industry analysts have been asking why change has taken so long. ...

... This week, investors looked favorably at Ford's decision to make big change.

David Kudla, CEO and chief investment strategist with Mainstay Capital Management, is a Grand Blanc investment adviser who manages \$2.5 billion in assets for clients that include a lot of Ford employees.

"Ford has to take action as losses in Europe continue to mount," Kudla said.

He said job cuts in Europe may be the result of Ford's discussions with Volkswagen, which have been going on for months.

"Both sides have made it clear the partnership's goal is to streamline operations and cut costs, though a collaboration on electric commercial vehicles in the region makes sense too," Kudla said. "VW has region and electric expertise and Ford has had great success with its small commercial van."

Ford Europe was expected to take the brunt of the company's \$11 billion three- to five-year global restructuring announcement in July, he said. "Details of this may finally be rolling out from a company that has been criticized for being closed door for some time." ...

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