
Slowdown signs - Ford to close Canada plant in 2011

Friday, 06 Nov, 2009

Reuters reported that US automaker Ford Motor Co will shutter one of its manufacturing plants in Canada in 2011 a move that will cut 1,400 jobs.

The Canadian Auto Workers said that as part of a cost reduction agreement between the company's US headquarters and the CAW, the plant in St Thomas, Ontario, will close in the third quarter of 2011.

Ms Shannon Devine spokeswoman of CAW said that some 1,400 employees will be dismissed. Canadian media put the number of jobs eliminated at 1,600.

As part of the tentative agreement, the union said that it obtained a commitment by the US automaker to keep at least 10% of its North American production in Canada.

Mr Ken Lewenza president of the CAW said that "During the negotiations, Ford threatened that if we didn't come to an agreement, the company would begin shifting investment out of Canada. In today's globalized economy where companies attempt to bypass community commitments, it's crucial that we don't allow this to happen."

The agreement, which expires in September 2012, is expected to be voted on and approved on Sunday by the CAW's 7,000 Ford workers in Canada.

(Sourced from www.reuters.com)

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