
Production pruning - Ruukki Engineering to Swedish units

Thursday, 11 Jun, 2009

Ruukki Engineering announced that it plans to discontinue the manufacturing of welded components at its Hässleholm and Oskarström units in Sweden.

The release said that “The plan is in line with Ruukki Engineering's strategy to consolidate operations and strengthen its engineering competences on future growth areas particularly in Central Eastern Europe and China. Ruukki Engineering's customers are increasingly moving their own manufacturing processes to these areas, where Ruukki also has capabilities to serve them.”

The release added that “The move is expected to affect 106 persons at Hässleholm and 36 persons at Oskarström. According to plan, these sites will be closed by the end 2009.

Mr Tommi Matomäki president of Ruukki Engineering division said that "Engineering customers are increasingly focusing their operations outside the Nordic market. By centralizing our operations to larger units we are able to boost our efficiency and profitability and further improve our customer service. Regrettably, this also means job reductions in the units concerned.”

It added that “Due to closing of the units, employer-employee negotiations will be initiated with personnel.”

The release also said that these actions are expected to result in non-recurring costs of approximately EUR 5 million that will be booked for the second quarter of 2009.

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