

# UK job losses spread

**Our reporter**  
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Job cuts continue to mount in the United Kingdom with thousands of workers in the steel, shipbuilding, automotive and railway industries targeted by downsizing announcements this week.

British Steel announced 1,600 job losses on November 16. The jobs will go over the next six months. Since 1997 British Steel has shed 2,300 jobs in the UK, closing several mills. Over the next five years 8,000 further job losses are predicted. A British Steel spokesman warned that there could be more redundancies stating: 'The cuts for the year could stop at 3,000, but they could go beyond that. We have no final figure.'

Avesta Steel in Sheffield is eliminating 500 jobs, with the remaining 900 jobs being spread across the country. The company cited the impact of a strong pound and of heavy competition from rivals who are producing cheaper steel in Europe, Asia and the US. British Steel's pre-tax profits to October 3 were down by 24 percent. British steelmakers have indicated that they want the Labour government to impose trade sanctions against foreign steel producers.

Transport operator FirstGroup has announced the shedding of nearly 900 jobs in a move to cut costs. Trevor Smallwood, FirstGroup's executive chairman, announced on November 17 that 270 office jobs had been cut from the firm's rail work force and 550 to 600 jobs would be shed by March 1999. Smallwood said the cuts were made necessary by a reduction in government subsidises to private operators, and added that job cuts would continue over the next two years. FirstGroup employs 30,000 workers and operates 9,000 buses, three rail franchises and Bristol International Airport. Last year the firm's profits rose by a quarter to £38.1 million.

Many thousands of construction and engineering workers face losing their jobs according to the UK-Norwegian company Kvaerner's managing director.

Kjell Almskog informed an Oslo news conference that the company should be 'twice as good and half the size' and promised 'blood sweat and tears' for his work force. Almskog recently stated that the company's world-wide work force would be reduced by 50 percent. Kvaerner employs 55,400 workers internationally, including 20,000 in Britain, of which 800 work at the Kvaerner Govan shipyard. The yard, then part of Upper Clyde Ship Builders, was the site of an occupation in the early 1970s when shop stewards led by the Stalinist Communist Party prevented a broad movement against unemployment, encouraging workers occupying the yards to work for nothing.

Govan trade union stewards quickly responded to Almskog's new threats with a pledge to increase productivity. Jimmy McFall, of the GMB union, said, 'I heard Mr. Almskog said he wanted blood, sweat and tears. Well the only way they can get that is to give us the orders and let us prove it.'

The Swedish automaker Volvo is the latest carmaker to warn of drastic job-cutting in the UK. Volvo employs more than 2,500 staff in the UK out of a global work force of 73,000. It makes trucks in Irvine, Ayrshire, produces parts at sites including Warwick and Marlow, Buckinghamshire, and has a network of distributors and retailers. The carmaker said it had been forced to mount a 'comprehensive overhaul' of costs in the wake of the Asian crisis. Layoffs will also hit UK suppliers that produce Volvo parts.

German car manufacturer BMW, parent company of the British Rover group, has already announced 2,500 job cuts at its Longbridge auto plant.

UK retail sales fell 0.4 percent in October, against expectations of a 0.3 percent drop, signalling a further slowdown in the economy. The year to year change was the sharpest since January 1996, while the rate for the quarter was the lowest since October 1995. Household goods recorded the biggest fall in sales, down 1.5

percent. The Bank of England voted unanimously to cut interest rates in November in an effort to prevent the economy from slipping into a recession.

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