

# Kvaerner shipbuilders to shed thousands of jobs in Europe

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Thousands of job losses are threatened in Europe as the Anglo-Norwegian shipbuilder Kvaerner sells off its operations in Norway, Britain, Germany, Finland and Scotland.

The company announced this week that it is to shed 25,000 jobs worldwide, a third of its workforce, as it restructures its global operations. The Kvaerner group is now in debt for the first time since 1967 and has seen the value of its shares fall drastically. A number of factors have contributed to this--including the economic crisis in Asia, weak oil and gas markets and increasing competition in the global shipbuilding industry.

The Chief Executive of Kvaerner, Kjell Almskog, said, "The plan for this 'New Kvaerner' is to create a group that is significantly smaller and much leaner, but definitely stronger." The company is to sell its shipbuilding division for \$650m (£400m). Four consortia are expected to bid for Kvaerner's shipbuilding operations in October this year.

Nearly 2,000 jobs could be lost in Scotland. Kvaerner employs 1,200 at its Govan shipyard in Glasgow and a further 700 at its turbine plant in Clydebank.

Sir Gavin Laird, a former leader of the AEU engineering union, is heading a taskforce to find a new buyer for the shipyard. Laird said, "It is my view that both the Govan shipyard and Clydebank engineering operations can be viable businesses with considerable potential under new ownership".

Upon hearing the decision, the unions at Govan immediately pledged to work with management to find a new buyer for the shipyard. Jim Moohan, industrial officer for engineering in the GMB (formerly the General Municipal and Boilermakers) union, said: "Kvaerner, together with the government, unions and local enterprise companies, really must do all in their

powers to prevent the closure. As we have seen at Ravenscraig and Clydesdale, once skilled manufacturing jobs are lost, they are gone forever."

The Scottish regional secretary of the AEU, Danny Carrigan said, "Although we expected bad news, confirmation has brought doom and gloom and despondency to the Clyde. We need to scour the world and bring forward Ministry of Defence orders to make Govan a viable concern for a potential buyer."

The General Secretary of the GMB, Ken Jackson, blamed the firm's rivals, stating that European anti-competitive practices "had led to the decision of Kvaerner to end its Scottish operations."

Further jobs that are threatened by Kvaerner's restructuring include:

- 600 jobs at the company's bridge building operation in Darlington, northeast England.
- 300 jobs at its Davy Roll steel operations in Gateshead and Sheffield in the northeast and South Yorkshire respectively.
- 1,600 jobs are at risk at its oil and gas operations in Aberdeen, London and Croydon.
- 315 jobs at the firm's fabrication plant at Methil, Fife in Scotland and 900 at its Port Clarence plant on Teesside are also threatened.



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