

US solar energy company to cut 2,000 jobs

Kate Randall
18 April 2012

US energy firm First Solar announced a restructuring plan Tuesday that will cut 2,000 jobs, or about 30 percent of its global workforce. First Solar, the largest US maker of thin-film solar panels, said “deteriorating market conditions in Europe” were driving the layoffs.

The Tempe, Arizona-based company will close its plant in Frankfurt-Oder, Germany in the fourth quarter of 2012, resulting in about 1,200 job losses. The energy firm will also indefinitely idle four production lines in Kulim, Malaysia on May 1. About 120 jobs will be eliminated in the US, mostly among corporate and administrative staffers.

As a result of the restructuring, First Solar expects to reduce manufacturing costs by \$30-\$60 million this year and to shave costs by \$100-\$120 million the following year. First Solar share prices shot up 12.6 percent in midday trading Tuesday on news of the layoffs.

US solar manufacturing has been hit by the global recession as well as an influx of Chinese panels. Solar power subsidy programs have also seen cutbacks in Europe. Germany, the world’s large solar energy market, announced in February that it would be cutting solar subsidies by 30 percent.

Despite a doubling of installation of solar panels in US private homes last year, solar panel companies have been hard hit by falling prices and competition from less expensive panels from China. First Solar lost \$39.5 million in 2011 and its shares have fallen nearly 85 percent in the last three months.

First Solar’s layoff announcement came as production at US factories registered a drop in March for the first time in four months. Data from the Federal Reserve in Washington showed that manufacturing, which makes up about three-quarters of industrial output, decreased by 0.2 percent last month.

The Fed reported that appliance and furniture makers cut back production in March, giving way to gains

among service industries, including retailers. The drop in manufacturing followed a revised 3.4 percent gain from December through February, the biggest three-month gain since March 1984.

Undercutting the Obama administration claims of a recovery, the US Labor Department reported earlier this month that the US economy added only 120,000 net jobs in March. This was far below the 200,000-plus predicted by economists and lower than the 150,000 needed each month just to keep pace with population growth.

Among other major job cuts in recent days, Frontier Airlines began laying off workers at its Milwaukee, Wisconsin operations on Sunday. The air carrier is refocusing its operations to its hub in Denver, Colorado. The layoffs, which were announced in mid-February, involve 446 positions. About half of those laid off are expected to be flight crew members employed by Frontier’s parent company, Republic Airlines.

Last Thursday, the Department of Energy’s major contractor at the Hanford nuclear site in Washington state announced plans to cut up to 400 positions between now and September. John Lehw, president of the company, CH2M Hill, told employees in a memo that the job cuts were due, in part, to the fact that work with federal stimulus money had been completed.



To contact the WSWWS and the
Socialist Equality Party visit:

wsws.org/contact