Dow Chemical to cut 2,400 jobs, close 20 plants

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A steady stream of job cut announcements continued this week in the US, led by Dow Chemical Co., which revealed on Tuesday that it will be eliminating about 5 percent of its global workforce.

The US Commerce Department reported Friday that the nation's gross domestic product grew by 2 percent from July through September, up from the 1.3 percent rate posted in the second quarter. The US economy has struggled since the onset of recession more than four years ago to exceed a 2 percent growth pace.

In addition to the sluggish GDP, the slowing global economy, in Europe and China in particular, is weighing on US exports, which fell in the third quarter at a 1.6 percent annual rate after rising every quarter for more than three years.

The US remains about 4.5 million jobs short of where it stood when the financial crisis began, and the continual job cuts by companies across a wide range of sectors is an indication of the entrenched nature of the economic downturn.

Tuesday's announcement of 2,400 layoffs at **Dow Chemical**, the largest US chemical maker by sales, came on the heels of news that DuPont, another chemical giant, will cut 1,500 jobs as demand for the company's paint and solar products slips around the world.

Along with the job cuts, Midland, Michigan-based Dow will be closing 20 manufacturing plants over the next two years to reduce annual costs by $500 million in an effort to counter slow economic growth.

Dow facilities to be closed in the US include a factory in Michigan that makes diesel-particulate filters for autos and an Ohio plant that produces polyurethane foams and epoxy products. Worldwide, Dow will shutter plants in Spain, Britain, the Netherlands, Belgium and Japan. Plans for new factories on the US Gulf Coast and in Saudi Arabia will not be affected, the company said.

Andrew Liveris, Dow chairman and CEO, commented in a statement, "The reality is we are operating in a slow-growth environment in the near-term and, while these actions are difficult, they demonstrate our resolve to tightly manage operations particularly in Europe and mitigate the impact of current market dynamics."

Colgate-Palmolive Co., the Manhattan-based multinational consumer products company, announced plans Thursday to eliminate more than 2,300 jobs by the end of 2016. The news came despite a rise in profits in the third quarter to $654 million compared to $643 million the same period last year. Adjusted profits per share were slightly lower than Wall Street's expectations.

"We are delighted that gross profit margin increased by 180 basis points during the quarter, the largest expansion we have seen in ten quarters," the company said in a statement. Concurrent with this delight, Colgate-Palmolive announced plans to slash 6 percent of its 38,600-employee workforce, or 2,316 positions, in a move aimed at trimming $364 million to $435 million annually by the fourth year of its savings program.

Atlanta, Georgia-based **Newell Rubbermaid** will cut more than 1,900 jobs, or about 10 percent of its global workforce over the next two-and-a-half years. The news came as the consumer products company, best known for its household storage containers and Sharpie pens, reported third-quarter adjusted results topping analysts' expectations and raised its quarterly dividend by 50 percent.

Rubbermaid will also restructure its business under two groups, a development organization and a delivery organization, and appoint a new leadership team. The job cuts and restructuring are expected to save the consumer products giant $180 million to $225 million by the second quarter of 2015. The company also has plans to “further optimize manufacturing and distribution facilities” across its global supply chain.

Diebold Inc., maker of ATMs and other electronic and security products, is halting plans to build a new headquarters in northeast Ohio. Shelving the building project will mean the loss of an estimated 500 jobs in North America over the next month.

The company posted a 58 percent drop in third-quarter earnings. In a statement, Diebold CEO Thomas Swidarski said that building the new company headquarters was not “economically feasible.”

Goodyear Tire & Rubber Co. is eliminating about 200 jobs at its Fayetteville, North Carolina plant, which currently employs about 2,800. The United Steelworkers is organizing a vote of its membership this week on changing its contract to allow for workers to accept buyouts in place of layoffs.

Specialty glassmaker **Corning Inc.** will make an unspecified number of job cuts as sales continue to lag across consumer electronics, telecommunication and automotive markets. Corning CFO James Flaws said in a statement, “The weakening economy is affecting sales in many of our businesses, with several not achieving the growth expectations we set for the year. These economic headwinds will persist next year.”