

Michelin Plans New Labor Moves in France

In a move to avoid outright plant shutdowns in Europe, Groupe Michelin plans to implement new labor rules at its French factories to help adjust capacity, according to Bloomberg reports. Michelin CEO and managing partner Jean-Dominique Senard announced the new labor contract after the company's annual general meeting on May 17. Thus far, three of Michelin's 17 plants had adopted the plan. "I'm very happy with this agreement," Senard said. "It would be wonderful to have it signed by all remaining factories." Senard claimed that reduced demand, driven by six-plus years of heavily reduced new car and commercial truck sales, has dropped utilization rates at Michelin's European plants to 50%-60% for truck tires and 70% for passenger and light truck tires. The European economic slowdown and resulting tire sales slowdown has Michelin looking for more growth outside of Europe, and considering restructuring its European operations. Currently, Michelin employs some 63,000 workers in Europe, including 24,000 in its France operations. Plant shutdowns, though, "are not on the agenda yet," Senard said. "All the options are under scrutiny. I don't know how many factories there will be in Europe in 20 years. What I know is that those that will be there will be competitive." tirereview.com