

Ford Russia Venture Slashes Staff, Output

By [The Moscow Times](#)

April 02, 2014



Ford is cutting staff and output in Russia due to a shrinking market and weak ruble, following AvtoVAZ's lead.

U.S. carmaker Ford's joint venture in Russia has decided to trim staff and output at its two plants as the market is contracting and the ruble is losing value.

Ford has taken one of the biggest hits from the weakening demand. Sales of the joint venture, Ford Sollers, plummeted 18 percent last year, compared to 2012, and has continued to decline rapidly so far this year.

“We regret that the company has to reduce personnel. However, this measure is required to ensure the company's further development in current conditions,” Ford Sollers CEO Ted Cannis said in comments e-mailed by the company.

The joint venture is moving to single shift production at its plant in Vsevolozhsk, near St.

Petersburg, as of June, cutting 700 jobs, or about a third of the workforce, it said. The plant, which makes the Focus compact car and the Mondeo sedan, will also halt production for several weeks in April, May and June, Vedomosti reported.

The other plant, in Yelabuga, Tatarstan, will lay off 250 temporary employees, Bloomberg reported. It will also move to a single-shift production schedule, Vedomosti said.

The Vsevolozhsk plant produced almost 69,000 cars last year, down 36 percent, while the Yelabuga plant produced 20,400 cars, up 300 percent, and 14,000 minivans, up 30 percent.

In cutting staff, Ford Sollers is following in the footsteps of AvtoVAZ, which also announced earlier this year that it was downsizing its workforce in the wake of a dramatic drop in sales last year.

Yet, Ford Sollers sounded upbeat about the future of its Russian operation, saying it still expected the country to become Europe's largest auto market in the longer term.

The company commended itself for tapping the fast-growing sport utility vehicle, or SUV, segment last year by launching production of Explorer and Kuga in Yelabuga. This year, the company plans to start building the EcoSport small SUV and the new Transit commercial vehicle, it said. It is also on track to start production at a refurbished assembly plant in Naberezhnye Chelny in Tatarstan.

The new Focus and all-new Mondeo go into production in St. Petersburg in 2015, it said.

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