

Opel will close its Bochum plant

FRANKFURT, GERMANY: German car manufacturer Opel, the loss-making arm of General Motors, confirmed on Wednesday (17 April) that it will phase out vehicle production at its Bochum factory at the end of next year.



Employees at the plant and their representative unions rejected a proposal to keep the Bochum plant open until the end of 2016 in exchange for a wage freeze and the loss of some fringe benefits. Opel makes the Zafira model at the plant.

Under a deal worked out by GM at the end of February, Opel had offered to keep car production in Bochum until the end of 2016 after which the plant would be retained as a components and logistics site employing 1,200 people, compared with the 3,200 it currently employs there.

But workers at the plant rejected the deal, which the IG Metall union described as "too vague".

Opel has three other sites in Germany in Eisenach, which builds the Corsa and Adam models; a components factory in Kaiserslautern in the south west; and the core production plant at Ruesselsheim, near Frankfurt.

GM estimates it stands to lose more than US\$1.5bn on its European operations this year and wants to steer Opel and its British counterpart Vauxhall back to profit by 2015.

Opel and Vauxhall are heavily dependent on the European market where industry-wide sales of passenger cars fell 8.2% in 2012, according to data published by the European automobile makers' association.

Last week, GM announced it will invest about €4bn in Opel and Vauxhall by 2016.

Source: *AFP* via I-Net Bridge

For more, visit: <https://www.bizcommunity.com>