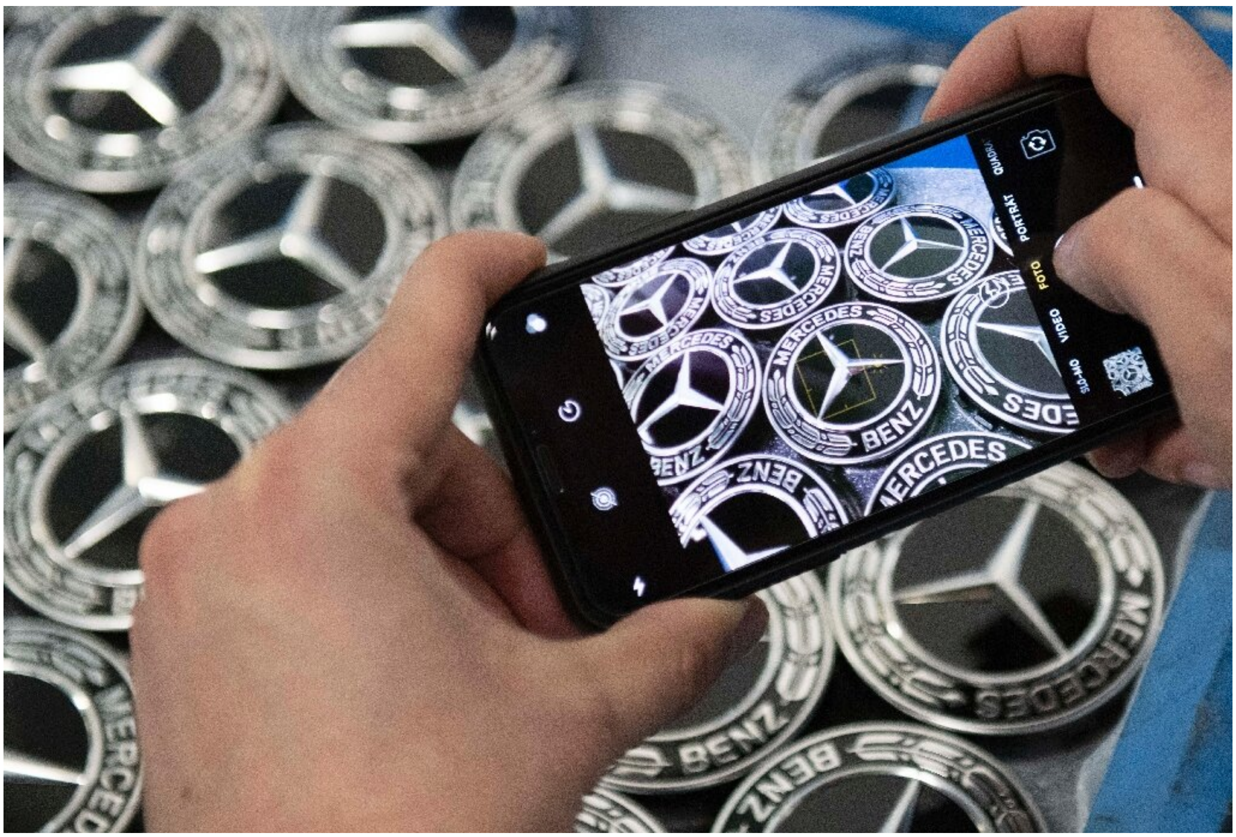
Daimler mulls slashing 1,100 senior jobs: report

November 8 2019



Daimler badly wants to cut costs

German luxury carmaker Daimler plans to cut 1,100 management jobs worldwide in fresh efforts to cut costs as it grapples with expensive recalls and a slowing global market, a German newspaper reported

Friday.

The cull would see the Mercedes-Benz maker slash one tenth of all senior roles in Germany alone, the Sueddeutsche Zeitung wrote, citing an email sent to staff by the group's works council.

Daimler CEO Ola Kallenius will unveil details of the layoffs at a capital markets day in London on Thursday, it said.

According to the daily, Kallenius will also ask German workers to refrain from asking for pay hikes as the group weathers headwinds from global trade tensions, costly recalls and a massive "dieselgate" fine.

Daimler refused to comment on the "speculations", saying in a statement that it remained "in a constructive dialogue with worker representatives".

But it warned that the group needed to take action to tackle "major challenges worldwide".

Like its rivals, the Stuttgart-based firm is spending billions in the shift towards the electric, autonomous vehicles of the future.

It has also been hit with mass recalls linked to faulty Takata airbags and to diesel cars allegedly fitted with software to dupe emissions tests.

While the company has staunchly denied cheating, it nevertheless agreed to pay an 870-million-euro ($960 million) fine to German authorities in September for having sold vehicles that did not conform with legal emissions limits.

The setbacks pushed Daimler into a net loss of 1.2 billion euros in the second quarter, its first three-month loss in 10 years.

Daimler's woes come just as the car industry is confronting weaker-than-expected growth, weighed down by US-China trade conflicts and Brexit uncertainty.

The group has previously warned that its cost-cutting drive would target "all business areas".

Daimler's works council chief Michael Brecht was quoted by Sueddeutsche as saying that factory workers should not be made to pay the price for "legal fights and quality issues".

The mood in the company was one of "extreme uncertainty, and even anger", he said, noting that bosses had not asked staff to forego salary rises since the 2008 financial crisis.

Citation: Daimler mulls slashing 1,100 senior jobs: report (2019, November 8) retrieved 7 May 2024 from https://techxplore.com/news/2019-11-daimler-mulls-slashing-senior-jobs.html