

SABIC Plastics to Restructure, Slash Workforce by 10 Percent

SABIC Innovative Plastics said on Wednesday it would eliminate 10 percent of its global workforce through 2009 as part of a larger restructuring plan, becoming the latest major chemical company to react to the global economic downturn.

SABIC spokeswoman Jodi Kennedy said the company will eliminate the jobs through attrition and layoffs. SABIC Plastics employs about 10,500 people worldwide.

Kennedy declined to give specifics on the restructuring plan other than to say it would “intensify focus on our diverse customer base”.

“Basically, for last nine months, we designed a new business model that we think better meets the requirements of our diverse customer base. This new model requires fewer but more focused resources,” Kennedy said.

The company would not make a formal announcement on the plan or the lay-offs for competitive reasons, Kennedy said.

Since Monday, SABIC Plastics cut about 10 percent of its workforce at plants in Pittsfield, Massachusetts; Mt Vernon, Indiana; and Wood County, West Virginia.

SABIC Innovative Plastics came into existence after the Saudi Basic Industries Corp bought GE Plastics for \$11.6 billion (€8.9 billion) in May 2007. The private company has 80 locations in 21 countries manufacturing such thermoplastics sheets and resins as polyethylene (PE), polypropylene (PP), polycarbonate (PC) and acrylonitrile-butadiene-styrene (ABS).

In November, it cut its thermoplastic resins production by 20 percent, citing falling demand.

It is the latest chemical major to announce it would scale back its workforce as the global economic downturn sucks demand out of the market.

Dow Chemical announced on Dec. 8 it would eliminate about 5,000 full-time jobs, or 11 percent of its total workforce, and remove roughly 6,000 contractor positions, or 30 percent of its total. The company is also closing 20 plants, idling 180 others and selling off businesses.

On Dec. 4, producer DuPont said it expected to post a fourth-quarter loss and cut 2,500 jobs, or 4.2 percent of its workforce.

Germany-based BASF said in November it would reduce its full-year profits after it had been hit by a “massive decline” in demand and had been forced to temporarily shut down 80 plants worldwide.

Source: *Saudi Gazette*, April 1, 2009