

## AMERICAN AXLE TO TRIM-DOWN ITS SALARIED WORKFORCE



American Axle & Manufacturing Inc., a manufacturer of automobile driveline and drivetrain systems in the US, is slowly downsizing its salaried workforce by offering early-retirement packages until it reaches the target number of 400 white-collar workers eliminated. The Detroit, Michigan based company announced plans to buyout the contracts of about 400 salaried staff from its 2,000-strong pool of employees worldwide, representing more than a sixth of its worldwide salaried manpower. American Axle attributed its decision to a continuous decline in demand for pickups and SUVs in North America. The company said that around 88% of its sales have been lost as a result of the decline. American Axle is now reducing its U.S. operations and will focus on expanding in other parts of the world where the market is much more profitable.

Renee Rogers, American Axle spokeswoman, explained that the buyouts will mostly affect salaried staff. "The company expects to eliminate one salaried position for every five hourly jobs it is cutting, similar to a salaried attrition program that the supplier rolled out in 2006." Rogers said that the company is also giving its best efforts to not resort to layoffs. However, Rogers did not discount its possibility. "Layoffs are possible. It's too early to figure out if that would be necessary."

The buyout offers for hourly workers are set to expire on July 18. The buyout is part of the company's agreement with the UAW that involves the closure of the company's two plants located in Detroit and New York plus other wage cuts, all in exchange for buy-down payments.

Because of the US market challenges, American Axle is now ready to take the Asian market with a plan to build a second facility in India.