

## LM WIND POWER TO CUT JOBS



LM Wind Power is a name that you likely do not know much about, unless you spend a lot of time thinking about wind power that is. For those of you who are not at all familiar with the company here is a look at how they have chosen to [describe themselves](#), “We are a powerful player with a rich past. By end of the year 2011, LM Wind Power employed 5,803 people world-wide. Our first set of blades were installed in the Windmatic wind turbine in the Scotland waters near Orkney Islands during the 1970s. So far we have supplied brakes to more than 65,000 wind turbines worldwide. LM Wind Power is the world’s leading component supplier to the wind industry. Our businesses comprise of LM Wind Power Blades, LM Wind Power Service & Logistics, and Svendborg Brakes.” The company is getting ready to make a fairly sizable layoff action in the very near future. The company is getting ready to layoff 345 workers between now and the 30<sup>th</sup> of November. The cuts, which will qualify as a mass layoff action under the current federal guidelines are set to impact 215 regular hire workers and another 130 workers whose status was temporary. For those of you who are not familiar with the idea of a mass layoff here is a look at how the federal government [defines](#) the term: “The **Mass Layoff Statistics (MLS)** program collects reports on mass layoff actions that result in workers being separated from their jobs. Monthly mass layoff numbers are from establishments which have at least 50 initial claims for unemployment insurance (UI) filed against them during a 5-week period. Extended mass layoff numbers (issued quarterly) are from a subset of such establishments—where private sector nonfarm employers indicate that 50 or more workers were separated from their jobs for at least 31 days.” The company’s most recent report on its fiscals was [actually rather encouraging](#) on the whole, “Despite these strong trends, in 2011, we once again saw significant volatility in the wind energy market, exacerbated by global economic dynamics, the growing Asian economies and the sovereign debt crisis which has caused pervasive economic uncertainty in the US and Europe.... LM Wind Power adopts more prudent market forecasts than key industry analysts. However, even with continuing low gas prices, we believe a cumulative annual growth rate of 4% between 2011 and 2016 remains feasible. Onshore, wind energy is becoming increasingly competitive with conventional energy sources and within the medium term we expect wind energy development will become less dependent on government subsidies.” Though the company did mention earlier job cuts that helped them to keep in the black in the same report, “Significant cost savings were achieved through headcount reductions, the downsizing of some manufacturing capacity at Ponferrada in Spain and Urumqi in China and we urgently continued a fundamental review of the cost base throughout the group.” So will job cuts be part of the future for the company after this round? Only time will tell, but for now the company seems to consider it a viable strategy.