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Scania to restructure its bus organisation

Scania will launch an efficiency programme with the aim of ensuring profitability in its city bus operations, which will generate annual cost savings of SEK 70 million. Negotiations have been initiated with trade unions in order to reduce the workforce by 250 employees, of whom about 200 are in Poland and 50 are in Sweden.

"We possess significant overcapacity in our city bus operations. We must therefore undertake extensive restructuring measures in order to match our industrial structure with our commercial conditions. This is the only way to secure our long-term position as a supplier of complete city buses," says Klas Dahlberg, Senior Vice President and Head of Scania Buses & Coaches.

Sales of Scania's internally developed and manufactured fully-built city bus, the Scania Citywide, have declined since the record years 2010 and 2011, when more than 600 units were delivered to public transport systems in Sweden, the Netherlands and the United Kingdom, among other countries.

The structural changes will involve research and development, purchasing and direct production of city buses as well as related administration.

Scania's production unit in Słupsk, Poland, with over 500 employees, will initiate the process of adapting its organisation to current market conditions. Scania initiated negotiations with local trade unions in order to reduce staffing by about 200 people, affecting both blue collar and white collar employees.

Owing to several years of volatile demand for fully-built city buses, Scania has worked with various activities, in cooperation with local trade unions, with the aim of retaining employees at the production unit in Słupsk.

"Due to intensified competition and increased price pressure, we now have to adjust staffing to lower levels. This has not been an easy decision to take, but unfortunately it is necessary for our long-term survival as a bus and coach bodybuilder here in Słupsk" says Peter Björk, Head of Scania Production Słupsk.

At the head office in Södertälje, Sweden, changes will be made in the research and development department, and in the purchasing department, for the Scania Citywide. About 50 employees will be affected in Södertälje and they will all be offered continued employment at similar departments in the main Scania organisation.

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Scania is one of the world's leading manufacturers of trucks and buses for heavy transport applications, and of industrial and marine engines. Service-related products account for a growing proportion of the company's operations, assuring Scania customers of cost-effective transport solutions and maximum uptime. Scania also offers financial services. Employing some 41,000 people, the company operates in about 100 countries. Research and development activities are concentrated in Sweden, while production takes place in Europe and South America, with facilities for global interchange of both components and complete vehicles. In 2013, net sales totalled SEK 86.8 billion and net income amounted to SEK 6.2 billion. Scania press releases are available on www.scania.com

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