

Vestas to close five wind turbine plants

Vestas, the Danish wind turbine manufacturer, will cut 3,000 jobs as a result of the closures

Alex Hawkes, *The Guardian*, Tuesday, 26 October, 2010.

Vestas, the Danish wind turbine manufacturer, said today it would close five production plants across Scandinavia and cut 3,000 jobs. The group said (1....) and it would have to shift production away from Denmark and Sweden towards Spain to protect profits.

It is closing four plants in Denmark and one in Sweden, including one in Viborg where it has been manufacturing since 1989. (2...)

It still employs 500 people in the UK, who are unlikely to be hit by the company's latest round of job cuts, (3...) . The company employs 250 research and development specialists on the Isle of Wight, and 250 other staff primarily at a sales centre in Warrington and a spare parts and repair plant in Bristol.

The cuts came as Britain celebrated more than £300m of investment in new manufacturing centres by rival manufacturers GE, Siemens and Gamesa. (4...) GE said it would invest £100m in a manufacturing plant. Spanish firm Gamesa said it would spend €150m (£131m) setting up a worldwide centre for offshore wind, including a turbine factory; and Siemens said it would build an £80m wind turbine factory.

(5...) A Vestas spokesman said the company kept an open mind about returning to manufacturing in the UK: "We are always considering [different options], (6...) .

Rupesh Madlani, an analyst at Barclays Capital, said the layoffs would take Vestas back to where it had been a year earlier: (7...) He also said the investment in ports could give the UK a (8...) : "Germany has been the champion of solar and Spain onshore wind. (9...) give the UK potential to be a champion for offshore wind."

Vestas's revenues for the third quarter fell to €1.72bn (£1.5bn) from €1.81bn in the same period a year earlier. (10...) The company said shutting down plants and staff lay-offs would cost it between €140m and €160m.

A	6	though we don't have any current plans in the UK," he said.
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B	8	significant advantage in offshore wind
C	5	Monday's announcements were part of a commitment to a £60m upgrade of British ports to make them suitable for dealing with large offshore turbines.
D	3	but a spokesman could not rule it out.
E	4	Following a boost from the government's Infrastructure Plan on Monday,
F	2	The factory moves follow Vestas' decision to move production of turbines away from the UK last year, when it closed its Isle of Wight facility.
G	7	"Vestas has been a terrific job creator," he said.
H	NOT USED	very little advantage in onshore wind
I	NOT USED	The bad news that came from companies yesterday
J	9	The announcements that came from companies yesterday
K	10	Earnings before interest and tax stood at €185m, compared with €244m last time.
L	1	the surge in demand for wind power it had hoped for in Europe had not materialised

A	B	C	D	E	F	G	H	I	J	K	L
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6	8	5	3	4	2	7	NOT USED	NOT USED	9	10	1
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Vestas, the Danish wind turbine manufacturer, said today it would close five production plants across Scandinavia and cut 3,000 jobs. The group said the surge in demand for [wind power](#) it had hoped for in Europe had not materialised and it would have to shift production away from Denmark and Sweden towards Spain to protect profits.

It is closing four plants in Denmark and one in Sweden, including one in Viborg where it has been manufacturing since 1989. The factory moves follow Vestas' decision to move production of turbines away from the UK last year, when it closed its Isle of Wight facility.

It still employs 500 people in the UK, who are unlikely to be hit by the company's latest round of job cuts, but a spokesman could not rule it out. The company employs 250 research and development specialists on the Isle of Wight, and 250 other staff primarily at a sales centre in Warrington and a spare parts and repair plant in Bristol.

The cuts came as Britain celebrated more than £300m of investment in new manufacturing centres by rival manufacturers GE, Siemens and Gamesa. Following a boost from the government's Infrastructure Plan on Monday, GE said it would invest £100m in a manufacturing plant. Spanish firm Gamesa said it would spend €150m (£131m) setting up a worldwide centre for offshore wind, including a turbine factory; and Siemens said it would build an £80m wind turbine factory.

Monday's announcements were part of a commitment to a £60m upgrade of British ports to make them suitable for dealing with large offshore turbines. A Vestas spokesman said the company kept an open mind about returning to manufacturing in the UK: "We are always considering [different options], though we don't have any current plans in the UK," he said.

Rupesh Madlani, an analyst at Barclays Capital, said the layoffs would take Vestas back to where it had been a year earlier: "Vestas has been a terrific job creator," he said. He also said the investment in ports could give the UK a significant advantage in offshore wind: "Germany has been the champion of solar and Spain onshore wind. The announcements that came from companies yesterday give the UK potential to be a champion for offshore wind."

Vestas's revenues for the third quarter fell to €1.72bn (£1.5bn) from €1.81bn in the same period a year earlier. Earnings before interest and tax stood at €185m, compared with €244m last time. The company said shutting down plants and staff layoffs would cost it between €140m and €160m.