

Dow announces plant closures and job cuts

Dow has announced a restructuring program designed to accelerate cost reduction actions and advance the next stage of the company's transformation in the midst of persistently slow macroeconomic growth.

"Dow enters the fourth quarter and heads into 2013 on our front foot. We previously outlined USD 2.5 billion of levers we could pull to mitigate a slowing world economy. These actions are not only in motion, but are beginning to take hold, as we demonstrated," stated Andrew N Liveris, Dow's Chairman and CEO.

These actions will result in approximately 2,400 job losses equivalent to 5 % of the global workforce. In addition the plan also includes the shutdown of approximately 20 manufacturing facilities. Once fully implemented, these actions are expected to result in approximately USD 500 million of annual operating cost savings by the end of 2014. Dow will further reduce capital spending and investments for targeted growth programs that are no longer a priority in this environment.

"The reality is we are operating in a slow-growth environment in the near-term and, while these actions are difficult, they demonstrate our resolve to tightly manage operations – particularly in Europe – and mitigate the impact of current market dynamics," explained Liveris. "Earlier this year we announced targeted actions – levers we planned to pull to reduce costs and protect our earnings growth path. The interventions we are announcing today represent the next phase in our path to driving efficiency and prioritizing our growth programs. Importantly, we will continue funding projects where differentiation is rewarded even in this environment and where margin expansion opportunities are clear – for example in Dow AgroSciences, Dow Electronic Materials, and our Sadara and U.S. Gulf Coast investments. Taken on the whole, Dow's strategy remains intact, and our long-term growth fundamentals are strong."

Amongst the facilities slated for closure are a HDPE facility in Tessenderlo, Belgium, a sodium borohydrate plant in Delfzijl, the Netherlands, as well as a number of Performance Materials manufacturing facilities and three Formulated Systems manufacturing facilities in Ribaforada, Spain, Birch Vale, United Kingdom and Solon, Ohio. These actions are expected to take place over the next two years.

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