7-28-1993

Ford Reduces Production At Hermosillo Assembly Plant For Second Time This Year

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The Ford Motor Co. was forced to cut back production at its plant in Hermosillo, Sonora, for the second time this year due to a slump in sales of vehicles exported to the US and Canada. The plant exports about 94% of its production of Ford Escort and Mercury Tracer models to the US, and about 6% to Canada. On July 19, Ford officials announced that the plant will operate with only one shift during the last two weeks of July, reducing daily production to 350 from the normal 700 units. Abel Vargas, a union official at the Hermosillo plant, said the cutback would leave about 1,100 workers idle. The workers will receive 75% of their normal pay during the two-week period. Ford reduced production at the Hermosillo plant in May, also because of sluggish demand in the US and Canada (see SourceMex, 07/07/93). Separately, the Ford-owned British automobile company Jaguar is considering transferring assembly of its XJ sports car model to Ford plants located either in Mexico or in the US by 1995. If a decision is made to transfer production to Mexico, the options are the Ford assembly plants in Hermosillo, Cuautitlan, Mexico state, or Chihuahua city. Jaguar president Nick Sheele told Agence France-Presse that the company, acquired by Ford in 1989, is considering moving the assembly operation from its current location near Coventry, England, to North America as a cost-cutting measure. According to Sheele, Jaguar has been operating at a deficit over the past four years due to high labor costs. (Sources: Agence France-Presse, Notimex, 07/19/93)