

DuPont moves ahead on job cuts ahead of Dow merger

December 29 2015, by Sarah Skidmore Sell



In this April 22, 2008, file photo, the DuPont logo is seen on a sign at the entrance to the company's Spruance Plant in Richmond, Va. DuPont said Tuesday, Dec. 29, 2015, it will cut 1,700 jobs in its home state of Delaware and thousands more globally as it prepares for its merger with Dow Chemical. (AP Photo/Steve Helber, File)

DuPont will cut 1,700 jobs in its home state of Delaware and thousands more globally as it prepares for its merger with Dow Chemical.

Dow and DuPont announced earlier this month that they would join to create a giant chemical producer that will eventually be split into three

independent companies.

At that time, DuPont announced a \$700 million cost savings and restructuring program but did not specify how many jobs would be impacted or where. DuPont CEO Ed Breen sent a letter to employees Tuesday informing them that approximately 1,700 Delaware positions would be eliminated in the beginning of the year.

DuPont, which has been based in Delaware for 213 years, said it would have preferred to let affected employees know of the news first. But it made the announcement now, amid the holidays, because it is legally required to inform the state by the end of the year of the local job cuts. The company has approximately 54,000 employees worldwide and the restructuring program will ultimately affect about 10 percent of that workforce.

Delaware governor Jack Markell said the announcement of the job cuts is "deeply disappointing."

"DuPont's number one asset is its people, and the innovations that the company has produced during its storied history are a testament to the quality of those people," Markell said in a statement.

The combined company, called DowDuPont, will split into three separate entities that will focus on material science, agriculture, and specialty products.

That specialty products company, which would combine DuPont's nutrition and health, industrial biosciences, safety and protection, and electronics and communications segments with Dow's electronic materials business, will be based in Delaware.

The combined Dow-DuPont business will have dual headquarters in

Delaware and Michigan, where each company is based, until it separates into three independent publicly traded companies focused on agriculture, material science and specialty products.

The Dow, DuPont deal, if it goes forward, would be among the largest in an unprecedented year in mergers and acquisitions. The value of buyouts proposed and completed this year has reached a staggering \$5.03 trillion, up 37 percent from just last year, according to Dealogic.

It is the first time that takeovers have exceeded the \$5 trillion level, fueled by extremely low interest rates. The Federal Reserve raised interest rates for the first time in nearly a decade less than two weeks ago.

Dow and DuPont expect their combination will cut annual expenses by \$3 billion.

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