

Ford pulls out of S. America truck business, closes Brazil plant

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The closure of the Sao Bernardo do Camp factory would generate a one-off charge of some \$460 million, most of it to terminate contracts with workers, dealers and suppliers, Ford said

US automaker Ford said Tuesday it was pulling out of the commercial heavy truck business in South America, closing a plant in Brazil

employing 2,800 workers that has been operating for half a century.

The decision was made "as part of a comprehensive redesign of its [global business](#)," and after it decided that other options, such as partnerships, would not be viable, Ford said in a statement.

The affected factory, in Sao Bernardo do Campo south of the megacity Sao Paulo, makes Cargo-model heavy trucks, F-4000 and F-350 pickup trucks and Ford Fiesta small cars.

Ford has been operating the plant since October 1967.

"We know this action will have a major impact on our employees in Sao Bernardo and we will be working closely with all our stakeholders on the next steps," said Ford's South America chief, Lyle Watters.

He said Ford was intent on maintaining a "profitable business" and "a leaner, more agile business model."

The company said it was shifting its focus in South America to reduce payroll costs, boost its offering of popular SUVs and pickups, and extend partnerships such as one it announced last month with Volkswagen to jointly develop commercial vans and mid-sized pickups.

The closure of the Sao Bernardo do Camp factory "during 2019" would generate a one-off charge of some \$460 million, most of it to terminate contracts with workers, dealers and suppliers, the statement said.

Ford says that the worldwide, pre-tax cost of its global reorganization would be \$11 billion.

Last month, the US auto giant reported a fourth-quarter loss of \$112 million following weak performance in China and Europe, despite

higher revenues.

That was a big slump compared to the \$2.5 billion profit recorded a year earlier.

Last year, Ford announced it would halt production of almost all sedans and small cars in the United States to save \$11 billion.

It has also announced restructuring of its European operations, including thousands of potential job cuts.

Ford's decision is a blow to the pro-business agenda of Brazilian President Jair Bolsonaro, who is hoping to emulate US counterpart Donald Trump with policies to nurture investment and industry.

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