

US manufacturer 3M says to cut 2,000 jobs on slowing demand

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Ubiquitous and colorful Post-it notes are a favorite, but 3M has seen slowing demand for other products in overseas markets

US industrial products manufacturer 3M announced Thursday it will cut 2,000 jobs worldwide, citing weakness in key markets that led to a drop

in first-quarter sales.

3M, which makes a wide variety of industrial goods and tools as well as everyday items such as the ubiquitous stick-and-remove Post-It notes, also slashed its full-year profit forecast.

Total sales fell five percent to \$7.9 billion and included a 7.4 percent drop in Asia Pacific and a 9.4 percent decline in Europe, the Middle East and Africa.

Most of 3M's business segments lost sales in the first quarter, with the steepest declines in industrials, products that include structural adhesives, insulation components, electronics and energy.

Job cuts, which will result in annual savings of \$225-250 million, will span all business groups, with an emphasis on "underperforming areas," the company said. 3M had 93,516 employees at the end of 2018.

"The first quarter was a disappointing start to the year for 3M," said Chief Executive Mike Roman.

"We continued to face slowing conditions in key end markets which impacted both organic growth and margins, and our operational execution also fell short of the expectations we have for ourselves."

Despite the weak sales, net income jumped 48 percent to \$891 million because of a \$897 million legal charge that dented profits in the comparable period of the prior year.

But 3M disclosed \$548 million in new legal costs in the first quarter to build reserves for environmental litigation related to chemical waste disposal and for health care claims for coal miners, who have blamed the company for [respiratory problems](#).

3M, a component of the Dow Jones Industrial Average, plunged more than 10 percent just after trading opened in New York, to \$195.87.

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