

Press Information

Volvo Buses to close Aabenraa plant

Volvo Buses is to close its bodybuilding plant in Aabenraa, Denmark. The formal decision was taken yesterday 9 December by the board of Aabenraa Karosseri A/S. In all, about 200 employees will be affected by the closure.

Volvo Buses has suffered substantial losses in recent years due to a severe decline in demand in several markets, not least in Denmark.

As a result, Volvo Buses now has significant overcapacity in its European production plants. In a move to improve its profitability, the company is presently restructuring its manufacturing organisation by concentrating the production of finished buses in a smaller number of plants and using its Polish plant as a high-volume facility.

The Aabenraa plant is expected to close during the second half of 2004. Although the workforce of approximately 200 will be made redundant, opportunities of alternative employment at other Volvo plants will be examined.

Under the plans, buses for the Danish market will continue to be bodied mainly by Sæffle Karosseri AB, which is already producing vehicles for markets including Denmark.

Worldwide, Volvo Buses has reduced its workforce by about 800 in 2003 to date.

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Volvo Bus Corporation is the world's second-largest manufacturer of large buses and coaches. The range comprises complete vehicles, chassis, bus bodies, transport system solutions for metropolitan traffic, leasing, financing and service contract maintenance. Volvo Bus Corporation is part of the Volvo Group, one of the world's leading manufacturers of trucks, buses and construction equipment, drive systems for marine and industrial applications, aerospace components and services. The Group also provides complete solutions for financing and service.