

GM cuts 2,600 jobs in Europe as profits fall 12%

General Motors says it will cut 2,600 jobs in Europe this year and will also cut production at Opel Eisenach plant in Germany next year.



To date 2,300 people have left the company under the planned headcount reduction, Steve Girsky, GM's vice chairman and European turnaround leader, said in a conference call after the company announced a 12% drop in profits for the third quarter.

"We'd rather do the changes and then announce them," he added, noting most of the departures were either negotiated exits or due to retirement.

"We're also going to reduce our third shift at Eisenach next year," Girsky said.

Under pressure from its US parent to drive profits, Opel announced in August that about half of the 22,100 people who work at its four plants in Germany would work on short-time arrangements until the end of the year.

For its troubled Europe operations, GM forecast a loss of between \$1.5bn and \$1.8bn, depending on restructuring in the fourth quarter.