

Mini deal saves Dutch car factory

THE HAGUE, NETHERLANDS: Dutch company VDL signed a deal on Monday to take over Mitsubishi's sole eastern European plant and start producing Minis there for Germany's BMW, in a rare piece of good news for European automakers.



Image: FreeDigitalPhotos.net

"The deal with Mitsubishi to take over the NedCar factory in Born has been signed," VDL said in a statement, adding that Mini production would begin in the second half of 2014 once the production line has been updated.

VDL said that none of the 1,500 workers at the Netherlands' only large car factory would lose their job. Some workers may be moved to other VDL facilities, it said.

Japanese car maker Mitsubishi announced in February it was planning to halt automobile production in Europe by the end of 2012, blaming the difficult operating environment in the debt-hit region.

Mitsubishi said it would sell the factory for a symbolic one euro if all 1,500 jobs at the site could be saved.

VDL is an industrial group that manufactures finished and semi-finished goods, including buses and coaches. The Eindhoven-based company employs around 7,400 people in 18 countries.

Mitsubishi produced the Colt sub-compact and the Outlander sports utility models at the wholly-owned unit, located about 180km south-east of Amsterdam.

Output at NedCar, which was established in 1991, has remained sharply below its production capacity of 200 000 units a year, contributing to Mitsubishi Motors' operating loss in Europe, reports said.

Fewer than 50 000 cars were assembled in 2010.

Source: *AFP* via I-NET Bridge

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