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SKF invests SEK 450 million in deep groove ball bearing manufacturing

Staff reductions connected to automation investments in Bari will result in restructuring costs of approximately SEK 140 million in the second quarter of 2019.

Gothenburg, 19 June 2019: SKF is investing approximately SEK 450 million in improving the competitiveness of its deep groove ball bearing (DGBB) offering. This includes shifting some production from Bari, Italy to Asia and Eastern Europe. DGBB manufacturing in China is to be consolidated into a new factory and an automated production channel is also being implemented in Bari.

Balancing the Group's regional manufacturing footprint continues to be a focus. In-line with this ambition, an investment totaling approximately SEK 370 million is being made in a new DGBB factory in Xinchang, China. This will enable continued growth and footprint consolidation in China. The new factory is expected to be fully operational during the first half of 2020.

Patrick Tong, President, Industrial Sales, Asia, says: "Through this investment we will increase our competitiveness in Asia. Having already moved the Group's global product development for DGBB from Europe to China, we will now be able to step up our full value chain approach to serve local customer and application needs."

The investment in the Bari factory totals approximately SEK 50 million and will lead to the automation of manual operations and a flexible and more competitive manufacturing process. Associated staff reductions will result in restructuring costs of approximately SEK 140 million, to be accounted for during the second quarter of 2019. The automated production channel in Bari is expected to be completed during the second half of 2020.

Approximately SEK 30 million is being invested in technology and capacity upgrades in existing factories in Asia and Eastern Europe.

Kent Viitanen, President, Bearing Operations, says: "We are deploying one of the worlds most advanced, flexible and fully automated assembly lines of its kind in Bari. This enables a reduction in resetting time from hours to minutes, meaning much greater flexibility and improved customer service levels. The investment will also contribute to improved quality and allows us to develop the technical competence of our staff."

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SKF's mission is to be the undisputed leader in the bearing business. SKF offers solutions around the rotating shaft, including bearings, seals, lubrication, condition monitoring and maintenance services. SKF is represented in more than 130 countries and has around 17,000 distributor locations worldwide. Annual sales in 2018 were SEK 85 713 million and the number of employees was 44,428. www.skf.com

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