

Merck shuts 2 sites, to further axe 1,100 staff

05 September 2012 | News | By BioSpectrum Bureau

Merck Germany to axe headcount



Singapore: Merck plans to terminate around 1,100 of its 10,900 staff in Germany by the end of 2015. Merck signed an agreement with employee representatives on an efficiency plan for the company's operations in Germany. The efficiency measures are part of the company's "Fit for 2018" business transformation program spanning all businesses and regions in order to secure Merck's long-term competitiveness.

As part of the agreement concerning the efficiency measures associated with the "Fit for 2018" program, Merck will refrain from forced redundancies until the end of 2017, with the exception of possible site closures and transfers that are still being assessed.

"We have had constructive discussions with Works Council members for the past several months and are happy to say that we now have a roadmap that will position Merck Germany in such a way that the company is prepared for the challenges we will face," said Mr Kai Beckmann, member, executive board, and responsible for human resources.

"For the Works Council, it is particularly important that there will be no forced redundancies in Darmstadt and Gernsheim through the end of 2017 and we were largely able to avoid outsourcing of jobs," added Mr Heiner Wilhelm, chairman, Works Council.

Several support functions across the divisions, such as logistics, will be reorganized. The only exception to the transformation

program will be activities that are already partially being outsourced to third-party suppliers, such as routine jobs connected to the approval of drugs (regulatory affairs), or jobs that require considerable manual labor, such as certain blending and filling activities in production. This will affect around 100 jobs.

In the area of financial services, specifically Merck Shared Services Europe GmbH (MSSE), it has been agreed to jointly leverage efficiencies. Merck will refrain from relocating MSSE abroad, a move that had been under review in recent months, at least until the end of 2015. The parties are confident that the defined targets can also be reached at the Darmstadt location.

The production of industrial salts in Lehrte, Germany, as well as the filling operations in Hohenbrunn, Germany, will be discontinued. A total of approximately 140 employees are working at the two sites. In the months ahead, the Works Council and Merck will consider various scenarios for the two sites.