Dyson production moves to Malaysia

By Roland Gribben12:01AM BST 21 Aug 2003

Entrepreneur and euro enthusiast James Dyson was involved in a fresh row over exporting jobs yesterday after announcing he planned to switch production of washing machines from his base at Malmesbury, Wiltshire to Malaysia with the loss of 65 jobs.

The decision means the end of manufacturing for Dyson in Britain after last year's decision to move vacuum cleaner production to Malaysia, where production costs are 30pc lower. The transfer resulted in the loss of 800 jobs.

Unions reacted furiously to the washing machine announcement but there was a more restrained response from the Trade Department, where regret at the job losses was mixed with praise for Mr Dyson's contribution to innovation. Last year Tony Blair told MPs he was "deeply disappointed" at the Malaysian transfer.

The joint general secretaries of Amicus, the engineering union, Roger Lyons and Derek Simpson, vied in their condemnation. Mr Lyons said Mr Dyson was like pop star Britney Spears singing "Oops I did it again" after last year's vacuum production decision. "He has no commitment to his workforce and is a desperately bad example to the rest of the sector."

Mr Simpson commented: "This latest export of jobs by Dyson is confirmation that his motive is making even greater profit at the expense of UK manufacturing and his loyal workforce. Dyson is no longer a UK product."

Unions are increasing pressure on ministers to intervene to slow the loss of manufacturing jobs and prevent them being exported. The growth of India as a software and call centre economy has seen British companies transfer thousands of jobs overseas while low-cost east European companies have benefited from the switch of manufacturing capacity.

In a brief statement yesterday Dyson, which is wholly owned by Mr Dyson, laid emphasis on the way the business has been refocussed, with production moving overseas and research and development expanded at Malmesbury.

Mr Dyson has been uncomfortable about the policy change. Last year he said the UK had become a nation of "not quite shopkeepers but of salesmen", but two months ago he was regretting the manufacturing rundown, declaring: "It's good for our culture to make things."

The company said switching vacuum cleaner production to Malaysia had secured 1,200 jobs at Malmesbury as well as achieving a substantial increase in output and a successful launch in America where the Malaysian-built product is now sold in more than 3,000 outlets.

A third of the headquarters workforce now has an engineering or scientific background. Dyson says the vacuum cleaner switch enabled the company to recruit an extra 70 engineers and scientists.

Mr Dyson spent 20 minutes talking to the staff affected by the washing machine decision yesterday after setting in motion the 90-day consultation period required under employment legislation over the production rundown.

Politicians joined in the concern about the loss of manufacturing jobs with James Gray, MP for North Wiltshire, declaring: "If excellent, high-tech British made products cannot make it what hope is there for anyone else?"

Tim Yeo, shadow trade secretary, said the switch was a "warning right on the Government's doorstep of the increasing problems faced by British manufacturers."

http://www.telegraph.co.uk/finance/2860995/Dyson-production-moves-to-Malaysia.html