



Ford Motor Company Motoring Along With New CEO in Canadian Division

Description

Ford Motor Company ([NYSE:F](#)) has just announced the appointment of Mark Buzzell as the president and CEO of Ford Canada. Mr. Buzzell recently served as the general manager of the Western U.S. and is replacing Dianne Craig, who has moved to become the U.S. director of sales. The transition will officially take place January 1, 2017.

This move comes at a turbulent time at Ford Canada. Ms. Craig was instrumental in getting a recent collective bargaining agreement signed between the parent company and Ford's Canadian unionized workforce; many speculate that this deal was ultimately the catalyst for her appointment.

Collective bargaining agreement finalized

The Canadian division of Ford, one of the largest global car manufacturers based in the U.S., has just approved a collective bargaining agreement for its Canadian plants as of November 6. This agreement between Ford and Unifor will secure \$713 million of investment in the Canadian operations, nearly all of it going towards the company's Windsor, Ontario plants.

This deal, approved by nearly 58% of all workers, will mean that the Canadian plants will become the sole global manufacturing operations of the company's seven-litre engines. This means that the focus for Ford's Canadian operations will be primarily on the production of various premium vehicles with enhanced fuel economy and emissions reductions. The plants will transition from existing production of five-litre and 6.8-litre engines toward the seven-litre engine over time.

Where Ford is moving long term

Ford's continued commitment to having stable and growing operations in Canada has been viewed by some analysts as a "hedge" against some of the risk of Mexican operations, particularly since Ford is one of the companies that have been singled out by president-elect Trump during his presidential campaign for "shipping jobs overseas."

Ford has diversified its manufacturing concerns globally with Canada and Mexico being two of the most important foreign strategic partners for the company. The potential re-negotiation of NAFTA and

the uncertainty of long-term operations in these two countries means Ford may need to play a bigger role in the potential political negotiations than it otherwise would.

In either case, I will be monitoring the upcoming NAFTA negotiations and will re-assess the long-term prospects for Ford accordingly.

CATEGORY

1. Investing

TICKERS GLOBAL

1. NYSE:F (Ford Motor Company)

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