

GSK to shut down its Sydney plant by 2020

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Singapore: According to reports, British drug giant GlaxoSmithKline will close its Sydney plant by 2020 after a review determined it was not competitive long term. The move will impact nearly 223 jobs. The company said that the factory closure will be phased over the next four years as production is gradually transferred.

The Australian reported that Michael Tyler, VP of Asia Middle East and Africa Supply Chain, this afternoon told employees at the Ermington factory, which produces Panadol products that after a thorough evaluation of the site the company decided to close it by 2020.

The site, in north west Sydney, manufactured products valued at around \$240 million of net sales in 2015. In 2015, the annual volume produced at the site was 66.9 million packs, which equates to 1.9 billion tablets.

Mr Tyler said, "This decision was not about the team at Ermington, it was about it being an old site. It is 60 years old, and it needs a lot of investment in infrastructure and equipment over the next five to 10 years, which would make us uncompetitive. Staff took the decision as you would expect, it is quite difficult for them and it is going to be a challenging period."

He further said that the Australian arm of the British pharma giant was yet to decide where the products would be made once the Sydney site closed, but he said it would be from across its global network. "We have a wide global network we will be looking at, plus contract manufacturers," he said.

"This is not a case of producing cheaper offshore, all the GSK plants are held to the same standards. Where redeployment is not an option, we will provide outplacement support to help our employees find work outside of GSK and will provide redundancy packages when the time comes for our employees to leave the business," Mr Tyler said.

GSK said its decision to close the Ermington site did not affect other parts of the GSK business in Australia, including its

Boronia plant in Victoria where respiratory products were manufactured.