

Australian bootmaker to shift production to India and Thailand

Iconic bootmaker Blundstone of Australia announced Wednesday that it is shifting production to India and Thailand.

The 137-year-old bootmaker is closing its Tasmanian factory and shifting 360 jobs to India and Thailand since production costs in these countries are about one-fifth of what they are in Australia.

In an interview given to ABC Radio, Blundstone managing director Steve Gunn said, 'You've got a situation where we can no longer sustain this type of company'. He added, 'I don't believe that manufacturing in Australia is a sensible option.'

He said he wasn't expecting the family-owned company to be punished for sending jobs offshore. 'The brands live on, and the company lives on,' Gunn said.

Blundstone became an Australian icon after Hollywood film stars began a worldwide craze for its work boots. The value of the brand was enhanced when it began offering its elastic-sided footwear in bonny colours.

Australians are shocked about this proposed outsourcing to Asia. Blundstone move has opened the debate if Australia can continue much manufacturing within the country on account of prohibitive costs.

Labour Unions have blamed the government's programme to remove protection for labour-intensive industries for the Blundstone move. Tony Woolgar, national secretary of the Textile, Clothing and Footwear Union, said that 'unless the government is prepared to change its policy on trade, then I think you'll see this sort of thing will continue to happen.'

Canberra began removing tariff protection for the manufacturing industry in the 1980s and now has one of the world's least-protected economies.

Australia has the world's 17th-largest economy, thanks mostly to mineral exports, particularly coal and iron ore. The export value of manufactured goods has been stagnant since 2000 as factories have closed and production has gone offshore.

Tim Piper, spokesman for the Australian Industry Group, a lobby Group, said in a statement that few Australians were willing to pay more for locally produced articles. 'I think people are value-driven,' he said.

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