European Integration and Australian Manufacturing Industry:
The Case of Philips Electronics, 1960s-1970s

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Abstract

During the 1960s and 1970s, the creation of the Common Market in the European Community required Dutch electronics company Philips to integrate its production operations across Europe. When the company’s profitability started to decline in the 1970s, it used this experience to considering a restructuring of its global operations. The company’s subsidiary in Australia had been relatively immune until in the 1970s Australia lowered import tariffs. A subsequent inflow of imports from Japan required Philips to consider its production operations in Australia. The company’s bolstering of supply centres in Europe in the 1970s, and later in Asia, left no role for the small Australian production facilities in the company’s global structure. Most were closed and employment in Philips Australia and its subsidiaries decreased drastically from 18,500 in 1970 to 6,500 in 1980.

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