

Japan's Sharp to cut 11 000 jobs, sell assets: report

TOKYO, JAPAN: Troubled Japanese consumer electronics giant Sharp is to cut 11 000 jobs worldwide and sell US\$2.7bn worth of assets and factories in a bid to turn its finances around, a report said Tuesday.

SHARP

The company, best known for home appliances, including LCD televisions, will also cut wages, Kyodo News said, citing a company plan presented to creditor banks on Monday.

Once the new plan is finalised, the banks are expected to offer fresh loans totalling ¥360bn (US\$4.6bn) to the cash-strapped firm, which faces a huge bill for the redemption of commercial paper this year and bonds the next.

Under the new plan, Sharp will shed 19% of its 57 170-strong global workforce, by the end of March 2014, Kyodo said.

The company will also cut wages and bonuses to save almost ¥50bn in personnel costs in the year to March 2013, Kyodo said.

Sharp announced in early August that it was slashing 5 000 jobs worldwide and the new reported figure appeared to include that original round of lay-offs.

The report comes amid growing speculation that the company may receive a cash injection of more than US\$380m from US chip giant Intel, and as its ties with Taiwanese partner Hon Hai begin to sour.

Sharp, which expects a huge ¥250bn (US\$3.2bn) loss in the year to March 2013, sought help from Hon Hai, which promised in March to take a stake of around 10% in the Japanese firm.

However, Sharp shares plunged shortly after the deal was signed, pushing Hon Hai, best known for its Foxconn brand producing Apple gadgets, to demand Sharp reduce the investment price.

As Sharp's relations with Hon Hai cooled, Intel has emerged in the media as a possible tie-up partner to help the 100-year-old Japanese company.

Sharp, which has seen its mainstay television, liquid crystal display and solar panel products struggle, has promised to return to the black in the next fiscal year starting in April.

Source: *AFP* via I-Net Bridge

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