

Siemens to cut 15 000 jobs next year

BERLIN, GERMANY: German engineering and technology company Siemens said it plans to cut 15,000 jobs worldwide by late next year as part of a cost-cutting drive. At least 5,000 jobs will be lost in Germany itself.

SIEMENS

The company aimed for many voluntary redundancies and to redeploy some staff within the vast conglomerate, which makes products from gas turbines to rail equipment to health care goods.

"The ongoing and planned workforce adjustments in the context of Siemens are about 15,000 positions worldwide, of which about 5,000 are in Germany," the Munich-based company said in a statement.

The ongoing "Siemens 2014" drive aims to save more than €6bn.

The company appointed Joe Kaeser as the new chief executive, replacing ousted Peter Loescher, days after Siemens had announced its second profit warning in two months.

When Kaeser took over at Siemens, he stressed that the company was certainly not in crisis, nor in need of major restructuring.

"However we've been too preoccupied with ourselves lately and have lost some of our profit momentum vis-à-vis our competitors," he said, vowing to get Siemens back on an even keel.

Widespread job cuts

Of the job cuts in Germany, 2,000 positions will be slashed in the company's industry division, 1,400 in energy, 1,400 in infrastructure and cities and 200 in the corporate division, a Siemens spokesman said.

He said the steps had been discussed with all those concerned. "About half the redundancies will occur this year and the rest by the end of 2014," he said.

Siemens said the cost-cutting plans were not new, just the number of layoffs which resulted from them and that the job losses had been discussed with workers' representatives.

"We are sticking to the rule: first we speak with the employees, then we go public," the company said in its statement.

Siemens has about 370,000 employees worldwide, including 119,000 in Germany.

During the leadership change at Siemens, even Chancellor Angela Merkel, via her spokesman, had commented, saying she viewed the Siemens group as a "flagship" of the German economy and a company which needed to return to calm waters.

Shortly after announcing the changes, the company released its results for its third quarter, posting a 43%

jump in net profit to €1.1bn, mostly due to the spin-off of lighting company Osram.

Nevertheless profit from continuing operations fell 13% in the April-to-June quarter, to €1.0bn, while sales dropped two percent to €19.2bn, hit by its wind energy activities in the United States.

Source: AFP via I-Net Bridge

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