

Nokia to lay off 1,700 worldwide

March 17 2009, By MATTI HUUHTANEN , Associated Press Writer

(AP) -- Nokia Corp. said Tuesday it will lay off 1,700 people worldwide to cut costs, as the global economic downturn strikes deeper into the mobile phone sector.

The world's top [mobile phone maker](#) said the job cuts will affect several sectors, including its devices and markets units, the corporate development office and global support functions.

"The number of employees we have to reduce is 1,700," [Nokia](#) spokeswoman Arja Suominen said, adding that details would be announced after the company begins negotiations with employees.

Nokia shares fell 2 percent in Helsinki to close at euro8.65 (\$11.25) after the announcement, which came as the industry bellwether continues to struggle with falling demand and handset prices.

In January, Nokia warned of major cost-cutting measures after its fourth-quarter [net profit](#) crashed 70 percent to euro576 million (\$744 million). It also lost [market share](#), which fell to 37 percent from 38 percent in the previous quarter and 40 percent in the fourth quarter of 2007.

Nokia said it would aim for annual savings of euro700 million at its handset unit, but gave no details at the time.

Last month, Nokia said it will close a research center, ax up to 320 jobs and temporarily lay off 2,500 workers in Finland. It also announced a global voluntary resignation program, open to employees until May 31,

in a move aimed at cutting personnel by 1,000.

It has also said it plans to increase short-term unpaid leaves and sabbaticals, and has appealed to employees to accept holiday time as payments, instead of cash, for overtime work in 2009.

Based in Espoo near Helsinki, Nokia last year remained the No.1 cell phone maker selling 468 million handsets, up 7 percent on 2008. It employs 128,400 people worldwide.

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