

Nokia to ax 220 R&D jobs in Japan

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Writer

(AP) -- Nokia Corp. said Tuesday it is axing 220 jobs at research and development units in Japan as the world's largest mobile phone maker continues to cut costs.

Last week it announced 330 job cuts in Finland and Denmark at its R&D operations that globally employ 17,000 workers.

The company's stock closed down 1.5 percent at euro8.93 (\$13.37) on the Helsinki Stock Exchange.

The announcement came a month after [Nokia](#) reported its first quarterly loss since it became the world's biggest [mobile phone](#) maker in 1998. Net loss in July through September was euro559 million (\$832 million) - down from a profit of more than euro1 billion in 2008 - and sales fell 20 percent to euro9.8 billion.

Earlier this year, it announced more than 2,400 [job cuts](#) globally and temporary layoffs of 2,500 workers in [Finland](#).

The company aims to slash costs at its handset unit by euro700 million annually and has said it will seek more savings in operational expenses, looking at "all areas and activities across the company."

Nokia said it will continue "significant sourcing activities" in [Japan](#).

"Japanese manufacturers are important partners who play a critical role

in Nokia's global supply chain strategy and with whom Nokia continues to develop its world-class logistics operations," the Finnish company said.

The cuts will not affect Japanese operations of Nokia Siemens Networks, the company's network infrastructure sector, nor Vertu, Nokia's luxury handset line, the company said.

Earlier this month, Nokia Siemens Networks announced up to 5,700 global layoffs as part of a move to cut annual costs by euro500 million (\$740 million).

The mobile network equipment maker - a joint venture between Finland's Nokia Corp. and Siemens AG of Germany - said it will reduce its five business units to three by January, and strengthen its business through partnerships and acquisitions.

The mobile phone industry has been hit hard by the financial crisis but Nokia said it expects a halt in the decline in demand of the mobile sector in the fourth quarter. It has raised a 2009 forecast for total mobile phone volumes, saying it expects a 7 percent decline from the previous year rather than the 10 percent fall it had earlier predicted.

Nokia employs 123,350 people worldwide.

Last year, Nokia sold 468 million handsets, or 7 percent more than in 2007.

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