

Telefonica to cut workforce in Spain by 20%

April 14 2011



The Spanish telecoms giant Telefonica's logo is pictured on a flag at the Telefonica store in center of Madrid. The firm has said it plans to cut its workforce in Spain by about 20%, or some 6,000 people, over the next three years as a cost-cutting measure.

Spanish telecoms giant Telefonica said on Thursday it plans to cut its workforce in Spain by about 20 percent, or some 6,000 people, over the next three years as a cost-cutting measure.

The company will also link pay and benefits more to employees' productivity rather than the inflation rate, it said in a presentation to investors in London that was posted on the company's website.

The head of the group's business in Spain, Guillermo Ansaldo, said the job cuts would allow the company to gain "flexibility".

Telefonica employs some 30,000 people in Spain out of a total global [workforce](#) of 269,000 people.

The announcement of the job cuts by the former state monopoly is grim news for a country already grappling with an unemployment rate of just over 20 percent, the highest level in the Organisation for Economic Cooperation and Development.

Earlier this month the government lifted its forecast for unemployment this year to 19.8 percent from 19.3 percent previously.

"It is not a good moment to carry out staff adjustments of such a significant size," said Labour Minister Valeriano Gomez.

Telefonica also said it plans to sell "non strategic assets", mostly real estate, in the 2011-13 period worth 600 million euros (\$870 million).

Telefonica posted a record 2010 net profit of 10.2 billion euros, a 30.8 percent jump over the previous year as weakness in Spain was offset by strong growth in the rest of Europe and Latin America.

The company's revenues in Spain were down by five percent last year.

Earlier Thursday Britain's Dixons Retail, Europe's number two electrical goods retailer which runs PC World stores, said it was closing its 34 loss-making outlets in [Spain](#) due to weak consumer demand in the country.

(c) 2011 AFP

Citation: Telefonica to cut workforce in Spain by 20% (2011, April 14) retrieved 9 April 2024 from <https://phys.org/news/2011-04-telefonica-workforce-spain.html>

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.