

Vodafone says to cut up to 1,200 jobs in Spain

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Facing fierce competition and low prices

Vodafone said Thursday it planned to cut up to 1,200 jobs in Spain as it streamlines its organisation to cope with a drop in revenue and profits in a fiercely competitive telecommunications market.

In a statement, the group said it would kick off consultations with worker representatives at the end of January with a view of cutting "a maximum of 1,200" posts out of around 5,100 in Spain.

"In the current market context, demand for services is increasing exponentially but prices aren't: close to 50 percent of... memberships are associated with 'low and medium cost' offers," the statement read.

It added that had caused a drop in revenues and profits "in the first six months of the current tax year."

The group also said it needed to streamline the organisation.

The news comes after the British telecoms giant in November launched a new 1.2-billion-euro cost-cutting plan as it faced heavy losses.

Newly-installed chief executive Nick Read had said at the time that there were "challenging competitive conditions in Italy and Spain."

Vodafone launched recently discount brand Bit into the Spanish market and cut prices at its low-cost operation in Italy, as the operator stepped up efforts to address stiff price competition in the two markets.

This will be Vodafone's third redundancy plan in Spain in seven years, said Diego Gallart, a telecoms representative with Spain's second largest union UGT.

"There are other ways to manage a telecoms company than carrying out a redundancy plan every three years," he told AFP.

"Instead it is changes in the management of Vodafone Spain which are needed," he added.

Vodafone workers in Spain already work a lot of overtime and suffer from work stress while management has made "strategic errors" such as only recently getting into audiovisual content creation, Gallart said.

Vodafone Spain announced in November that it would focus on cinema and TV series after deciding not to offer more football since according to the company this was not profitable.

Also on Thursday, Belgian telecoms operator Proximus announced it planned to cut 1,900 jobs over the next three years but pledged to recruit 1,250 other people over that period specialised in digital technology.

Proximus boss Dominique Leroy cited "aggressive market conditions... that leave us no choice."

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