

German chemical giant BASF says to slash 6,000 jobs

June 27 2019



Slimming down in pursuit of fatter margins

Massive German chemical company BASF said Thursday it would slash 6,000 jobs worldwide by 2021, as the company slims down its

organisation in pursuit of fatter margins.

"BASF expects a reduction of a total of around 6,000 positions worldwide until the end of 2021" out of 122,000 employees, the company said in a statement, saying the layoffs would save around 300 million euros (\$341 million) annually.

The move is part of a broader "excellence programme" aimed at boosting profits by two billion euros per year.

Executives aim to "develop our organisation to work more effectively and efficiently," chief [executive](#) Martin Brudermueller said.

BASF said it would centralise many services common to its different divisions, like engineering, procurement, human resources, finance and logistics, as well as create a 1,000-strong "corporate centre" to support executives.

As part of the restructuring, bosses and worker representatives at BASF's headquarters in Ludwigshafen agreed to bring forward negotiations on a new site agreement to early 2020—well ahead of the current jobs and investment deal's expiry date of December next year.

The group has long trailed a reorganisation after a tricky 2018 and early 2019 that have seen trade conflicts and one-off factors weigh on profits.

Last year it also gobbled up billions of euros' worth of agrichemical business from Bayer as part of the other [company](#)'s takeover of US-based Monsanto.

Shares in BASF gained on the news, adding 1.9 percent to reach 63.31 euros around 3:30pm in Frankfurt (1330 GMT), against a DAX index of blue-chip German shares up 0.2 percent.

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Citation: German chemical giant BASF says to slash 6,000 jobs (2019, June 27) retrieved 20 April 2024 from <https://phys.org/news/2019-06-german-chemical-giant-basf-slash.html>

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