

"We're devastated" the engineers' union said after Ericsson's surprise announcement to cut almost 1,000 jobs.



"It's a tough day for us today," said Ericsson CEO Carl-Henric Svanberg

{loadposition inline ad}

Related news:

- [ST-Ericsson to axe 600 employees](#)

L.M. Ericsson Telephone Co, the world's leading mobile phone network provider, said in a surprise statement Tuesday that it will drastically downsize its production at two Swedish sites and cut staff.

The company intends to close its operations in the town of Gävle and to reduce the number of employees in Borås.

The move is an effort to scale back its production staff as the company strives to improve efficiency.

"We must reduce our production staff because the labour requirement for our products is diminishing as we increase efficiency," Ericsson chief executive Carl-Henric Svanberg said in a statement, adding "it's a tough day for us today."

In Gävle, where Ericsson designs and manufactures base stations for third generation mobile telephony, activities will be closed down and a total of 856 employees will be affected, of which 545 are white collar and 311 blue collar. In Borås 90 white collar workers of the 1,037 employees will lose their jobs.

"This is news that no one expected. It really comes as a total surprise," said Johanni Samalistu, chair of the local chapter of the engineers' union, to the TT news agency. "We're devastated."

Ericsson to axe 1,000 employees

Written by Johan Nylander

Tuesday, 08 December 2009 14:42 - Last Updated Wednesday, 09 December 2009 07:59

Now we have to inform our members of this shocking news.”

The lay-offs come less than two months after the company reported worse-than-expected third quarter results, with a 74-percent fall in net profit blamed on falling sales and problems at its Sony Ericsson venture.

At the beginning of 2009 Ericsson announced 5,000 job cuts, including 1,000 in Sweden. Those reductions have already been made

Ericsson has introduced a new generation of products with more advanced components that "means that less work is required to produce each unit and simplified mode of operation and thereby there is a shortage of work", the company explained.

Local authorities in Gävle and Borås have been notified.

- SIGN UP FOR FREE [NEWSLETTER](#)
- ALL BREAKING NEWS [HERE](#)

{loadposition inline ad}