

Ericsson to axe 1,550 jobs after vast profit drop

Written by Johan Nylander

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Swedish telecom equipment maker Ericsson said it will cut 1,550 jobs at its operations in Sweden in a move to reduce costs as operators have become more cautious about investing in its network infrastructure business.

"It is naturally a difficult message for our employees in Sweden," Tomas Qvist, head of Ericsson's Human Resources, said in a statement.

The global financial slowdown has caused operators to become more cautious about investing in its network infrastructure business. Wireless carriers are cutting back on investments as a slowing economy and competition hurt subscriber growth and margins.

Last month, Ericsson reported a 43 percent drop in third-quarter net profits.

"We see a continued macroeconomic slowdown and political unrest in parts of the world, which has led to more cautious operator spending in some parts of the world," chief executive officer Hans Vestberg said when the company released its report.

Reduction of staff will cover all job areas, including sales, general and administration, research and development, supply and service delivery, the company said. In absolute numbers, the majority of the reductions take place in Ericsson's Networks unit.

Ericsson is the world's largest maker of mobile-phone networks.