

Meta / Facebook to cut more than 11,000 jobs

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Facebook founder Mark Zuckerberg speaks at a tech summit in Salt Lake City in 2020 [File: Bloomberg]

New York, November 10 (RHC)-- Meta Platforms Inc said on Wednesday it will let go of 13 percent of its workforce, or more than 11,000 employees, in one of the biggest tech layoffs this year as the Facebook parent battles soaring costs and a weak advertising market.

The broad job cuts, the first in Meta's 18-year history, follow thousands of layoffs at other major tech companies including Elon Musk-owned Twitter and Microsoft Corp. The pandemic boom that boosted

tech companies and their valuations has turned into a bust this year in the face of decades-high inflation and rapidly rising interest rates.

Meta, whose shares have lost more than two-thirds of their value, said it also plans to cut discretionary spending and extend its hiring freeze through the first quarter. “Today I’m sharing some of the most difficult changes we’ve made in Meta’s history,” the company’s founder Mark Zuckerberg said in a message to employees announcing the layoffs. “I want to take accountability for these decisions and for how we got here. I know this is tough for everyone, and I’m especially sorry to those impacted.”

An economic slowdown and a grim outlook for online advertising – by far Meta’s biggest revenue source – have contributed to the company’s woes. This summer, Meta posted its first quarterly revenue decline in history, followed by another, bigger decline in the fall. Some of the pain is company-specific, while some is tied to broader economic and technological forces.

Last week, Twitter laid off about half of its 7,500 employees, part of a chaotic overhaul as Musk took the helm. He tweeted there was no choice but to cut the jobs “when the company is losing over \$4 million/day”, though did not provide details about the losses.

Meta has worried investors by pouring more than \$10 billion a year into the “metaverse” as it shifts its focus away from social media. Zuckerberg predicts the metaverse, an immersive digital universe, will eventually replace smartphones as the primary way people use technology.

Meta and its advertisers are bracing for a potential recession. There is also the challenge of Apple’s privacy tools, which make it more difficult for social media platforms such as Facebook, Instagram and Snap to track people without their consent and target ads to them.

Competition from TikTok is also an a growing threat as younger people flock to the video sharing app over Instagram, which Meta also owns. Meta’s profits fell to \$4.4 billion in the last quarter, a 52 percent decrease year-on-year.

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