

UK's BP to Announce Billions in Spending and Job Cuts



London, February 3 (RHC)-- UK-based oil giant British Petroleum (BP) plans to announce cuts worth billions of dollars in its capital spending schemes following crashing oil prices and a whopping 40-percent drop in its fourth quarter earnings.

The multi-national oil corporation, which has already slashed hundreds of jobs in the North Sea as well as thousands more across the world, is further expected to reveal spending cuts of more than 10 percent, bringing its official target below \$22 billion for the current year, the Guardian reported on Tuesday.

The company's previous target was to spend between \$24 billion and \$25 billion in 2014 although it is expected to disclose that last year's spending stood at only \$23 billion on major projects and will further drop in 2015 in reaction to the drastic plunge of global oil prices.

According to local press reports, BP is mostly vulnerable to lower oil prices since it continues to suffer financially from the persisting fallout from its 2010 Deepwater Horizon accident in the Gulf of Mexico as well as its risky investments in Russia.

The development comes following the company's December announcement that it was incurring a one-billion-dollar charge for restructuring and job cuts and has since announced new staffing levels in the U.S., Trinidad, and Azerbaijan. The British oil giant is the latest in a series of global oil companies making

major spending cuts. Dutch Shell Oil slashed 525 jobs last month and is expected to cut its spending by \$15 billion over next three years.

Similarly, U.S.-based Chevron is planning to cut spending by 13 percent while ConocoPhillips reduced its capital spending to \$11.5 billion. Chevron also declared on Saturday that it would terminate its shale gas exploration in Poland, explaining that it no longer fitted with the company's portfolio.

Another American oil giant ExxonMobil as well as the France-based Total has also canceled plans to drill for shale in the country, with the Exxon expected to soon disclose its new plans to counter the sinking oil prices.

This is while the price of Brent crude has tumbled from \$115 per barrel in June 2014 to nearly \$50 in early February.

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