

Norway's Energy Giant Statoil to Cut Up to 1,500 More Jobs



Oslo, June 17 (RHC)-- Norway's energy giant, Statoil, is planning in the next phase of its efficiency program to cut between 1,100 and 1,500 permanent jobs by the end of 2016 in a bid to increase efficiency and competitiveness of its operations.

The announcement came on Tuesday, amid plunging global oil prices, which have made the Norwegian company slash up to seven percent of its workforce by the end of next year, AFP reported. Sources at Statoil also noted that a further 525 consultant positions will be also cut, promising that further alterations to the company's organization will come at the end of the month.

This is not the first time that the company, which is 67 percent state-owned, is laying off workers as it cut 8 percent of its staff last year, reducing it to 22,500. "We regret the need for further reductions, but the improvements are necessary to strengthen Statoil's competitiveness and secure our future value creation," chief operating officer, Anders Opedal, said in the statement.

The company launched a program to improve cost and capital expenditure back in 2013 with the main goal of dealing more efficiently with industry-wide cost and competitiveness challenges and to generate USD 1.7 billion in annual savings starting from 2016. The program was announced by Statoil last year when oil prices were still above USD 100 per barrel.

Since that time, oil prices fell to below USD 50 per barrel, though they have recently recovered a bit and are now standing at around USD 60. The global oil drop has pushed energy companies to accelerate cost-cutting measures and suspend or scale back investment plans.

In February, Statoil announced that its annual profits had decreased in half due to tumbling oil prices. The company also declared a 10-percent cut in its USD-20-billion investment budget for this year.

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