Nokia Siemens To Lay Off 17,000 Worldwide

Matti Huuhtanen, Associated Press

HELSINKI (AP) — Nokia Siemens Networks is slashing 17,000 jobs worldwide by 2013 — nearly 23 percent of its work force — as it strives to cut costs by euro1 billion ($1.35 billion).

The mobile infrastructure company said Wednesday the measures are part of "an extensive global restructuring program," which includes streamlining the organization to improve long-term competitiveness and profitability.

The Finnish-German joint venture said they will also include "a significant reduction of suppliers."

Nokia Siemens Networks CEO Rajeev Suri said the company will focus on mobile network infrastructure and services market.

"We believe that the future of our industry is in mobile broadband and services. We aim to be an undisputed leader in these areas," Suri said. "At the same time, we need to take the necessary steps to maintain long term competitiveness and improve profitability in a challenging telecommunications market."

He described the planned layoffs as regrettable but necessary.

"As we look towards the prospect of an independent future, we need to take action now to improve our profitability and cash generation," Suri said.

Nokia Siemens, which has been struggling against rival network companies in recent years, is a 50-50 joint venture between Finland's Nokia Corp. and Germany's Siemens AG.

Nokia shares were trading up more than 2 percent at euro4.27 ($5.78) in Helsinki.

The company has 74,000 employees in 150 countries.

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