

Restructuring: job cuts continue

A number of well-known companies have recently announced job cuts in an effort to stay in profit.

- 1 What do you understand by the term “re-structuring”? Compare your thoughts with a partner.
- 2 Match the three companies below with their competitors in the box. Which combinations are possible?

- a Sony
 b Kodak
 c Ericsson

Sanyo	Motorola	Canon
Hewlett-Packard	Samsung	Nokia

- 3 Now read the article and check which combinations are mentioned in the text.

Global job losses

Japanese electronics giant Sony is planning to cut 20,000 jobs - 13% of its global workforce - over the next three years as part of a massive restructuring. Recent worrying results are behind the announcement, as 2003 has seen the company lose ground to rivals. At the same time, Sony announced a joint venture on flat-screen TVs worth almost \$2bn with South Korean competitor Samsung, to be formed in South Korea early next year. Analysts said the restructuring plans needed to go further, but greeted them as a good start.

Kodak, the world's largest manufacturer of photographic film, is in crisis. The growing popularity of digital cameras that do not use traditional film has completely changed the market. The company is cutting another 6,000 jobs this year and has reduced its workforce from a peak of 136,500 in the early 1980s to just 62,000. Kodak's chief executive described the decline in the traditional film business as

"breathtaking." Last month the company unveiled plans to invest \$3bn to increase its presence in the area of digital technology. Rivals Canon and Hewlett-Packard are already well-established in the digital market, although in some developing countries demand for traditional film is actually rising.

The business news is not all gloomy. Swedish telecoms firm Ericsson returned to the black in the July to September period, after almost three years. Ericsson is in the midst of a cost cutting programme which has seen the group's global workforce fall by more than half in the past two and a half years, to about 53,000. Along with other telecoms equipment makers, Ericsson has been hit by the collapse in demand for new equipment. The company is cautious about the outlook, with more jobs likely to be lost over the coming year. Despite this, many in the industry, including rivals Nokia and Motorola, feel that the market is stabilising.

- 4 Find words or expressions in the article with the following meanings:

- a huge (paragraph 1)
 b two companies working together (paragraph 1)
 c a high point (paragraph 2)
 d revealed (paragraph 2)
 e went back into profit (paragraph 3)
 f future prospects (paragraph 3)

- 5 Discuss the following questions in small groups and report your ideas to the class.

- a Can you predict the future for the companies (or markets) mentioned: Sony, Kodak and Ericsson?
- b Do you think that digital photography will eventually replace film altogether?
- c Has your own company been affected by re-structuring?