

Bayer plans massive job cuts

Bayer plans to reduce the global headcount of 108,700 by an aggregate of about 2,000 by 2012. Approximately 4,500 positions – including roughly 1,700 in Germany – are to be cut, while some 2,500 new jobs will be created over the same period, particularly in the emerging markets.

To raise investment in further growth, annual cost savings of EUR 800 million are planned starting in 2013. About half of this amount is to be reinvested. The focus will be on researching, developing and marketing new products, particularly in HealthCare and CropScience, and on expanding activities in the emerging markets, says the company. According to Bayer, this will require a high level of investment in the coming years. By the end of 2012 the company is likely to take one-time charges in the region of EUR 1 billion, with part of this amount already being incurred in the fourth quarter of 2010.

"To finance the expansion of our growth activities, we therefore need to redirect resources, improve efficiencies and cut costs," explained Bayer AG Management Board Chairman Dr. Marijn Dekkers. "Bayer has great business potential in all three subgroups. To better exploit this potential, we must continue to bundle existing resources and streamline our structures. That is the only way we can sustainably finance our investment in growth and innovation – for example in new pharmaceutical products, in our BioScience business and in the expansion of our capacities in Asia," said Dekkers. "The cutbacks involved will not be easy, but they are necessary. I am convinced that with more innovation and less administration, Bayer can become a better and faster company."

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