

FT.com
FINANCIAL TIMES

[FT Home](#) > [Companies](#) > [Energy](#) > [Oil & Gas](#)

Shell set to unveil job cuts

By Ed Crooks
Published: September 4 2009 20:47 | Last updated: September 4 2009 20:47

Royal Dutch Shell, Europe's biggest oil company, is beginning a series of announcements about job losses as it extends the cost-cutting programme launched by Peter Voser, the chief executive who took over at the beginning of July.

The cuts are expected to run into the thousands, after **150 out of 750 senior managers** lost their jobs in the first phase of the restructuring, known as Transition 2009.

EDITOR'S CHOICE

- [In depth: Oil](#) - Sep-02
- [Essar bids for three Shell refineries in Europe](#) - Aug-17
- [Shell and Exxon profits tumble](#) - Jul-31
- [Shell sheds 150 senior managers in shake-up](#) - Jul-30
- [Lombard: Shell/BSkyB/Reed Elsevier](#) - Jul-30
- [Shell chief calls for pay reforms](#) - Jun-08

Shell is under pressure from the cost of a huge capital spending programme and the falls in the prices of oil and gas. Its debts are rising sharply, albeit from a low base.

On Thursday Standard & Poor's, the rating agency, downgraded Shell one notch to AA from AA+, putting it on the same rating as **BP**, because of its rising borrowings.

Managers are informing staff over the next two weeks of the detailed plans for their business units and, in some cases, beginning consultations with the workforce. The company plans to implement the cuts by the end of the year.

Mr Voser wrote to staff this week, in an e-mail seen by the Financial Times, that, during August, managers had "worked hard at redesigning the rest of their affected organisations or adapting and accelerating their own change journeys". He added: "Transition 2009 and our other change journeys will result in significant ongoing staff reductions."

Shell refused to say how many jobs were expected to go from its workforce of 102,000.

Mr Voser's plan includes breaking up the former gas and power division and splitting the exploration and production business into two divisions: one for the Americas and one for the rest of the world.

Royaldutchshellplc.com, an independent website used by present and former Shell staff, said: "Although precise figures have not been supplied to us, our estimate based on an analysis of the leaked information received, is that on average, staff numbers [in exploration and production] will be cut by 15 per cent."

It said some experienced staff expected to have to re-apply for their jobs.

Shell has a number of large developments reaching completion around the turn of the decade, including the Pearl plant in Qatar to convert gas to liquid fuels, and the QatarGas 4 liquefied natural gas project in the same country. Once those are complete they will need fewer staff.

However, one analyst said it would be surprising if the E&P operations bore the brunt of the job cuts, because that was the side of the business Mr Voser hoped to strengthen.

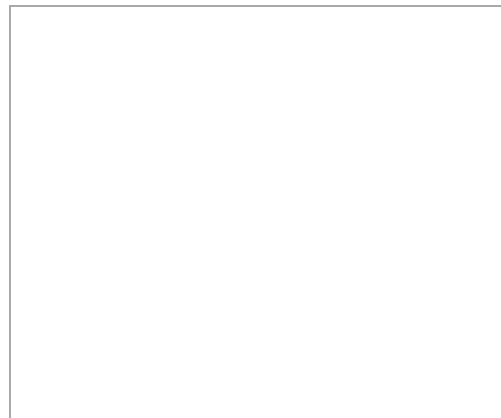
Copyright The Financial Times Limited 2009. You may share using our article tools. Please don't cut articles from FT.com and redistribute by email or post to the web.

[Print article](#) [Email article](#) [Clip this article](#) [Order reprints](#)

[Digg](#) [reddit](#) [LinkedIn](#) [Facebook](#) [Delicious](#)
[Mixx](#) [Propeller](#) [Yahoo! Buzz](#) [stumbleupon](#)

MORE FROM THIS SECTOR

- [Oil groups face Libya ultimatum](#)
- [Maersk moves to invest outside core line](#)
- [BP discovers 'giant' US oilfield](#)



[Jobs](#) [Business for sale](#) [Contracts & tenders](#)

SEARCH

- [Head of Finance Operations](#)
Cancer Research UK
- [Trustees](#)
National Army Museum
- [Head of Energy Trading Compliance](#)
Centrica Energy
- [Business Analyst / Senior Business Analyst - Oil and Gas](#)
Oil and Gas

RECRUITERS
FT.com can deliver talented individuals across all industries around the world
[Post a job now](#)

RELATED SERVICES	
FT Bespoke Forums	MBA-Direct.com
Annual reports	FT Newspaper subscriptions
Market research	FT Diaries
Growth companies	FT Bookshop
Corporate subscriptions	FT Conferences
Luxury Travel brochures	FT Syndication services
Analyst Research	The Non-Executive Director

- [Fresh Delhi petition in Ambani case](#)
- [Naftogaz to restructure \\$1.7bn debt](#)
- [BP](#)
- [Find boosts BP's longer-term prospects](#)
- [Eni](#)
- [Deutsche Bank scraps oil notes](#)
- [PetroChina](#)
- [Rosneft reports lower-than-expected profits](#)

LATEST COMPANIES NEWS

- [Google's head of China resigns](#)
- [FSA blocks RBS from debt buy-back](#)
- [Santander launches Brazilian IPO](#)
- [Shell set to unveil job cuts](#)
- [Alternative funds score EU victory](#)
- [Restaurants join rush to offer deliveries](#)
- [Battle is on to keep the tills ringing](#)
- [Microsoft can keep selling Word pending appeal](#)

RECENT REPORTS

Market research reports

Monthly Miscellaneous Wholesale Price...	Datamonitor	9/1/2009	\$9999
World Market for Food Service.....	SBI	9/1/2009	\$3500
2009 Pinpoint-U.S. Counties-Consumer...	Barnes Reports	9/1/2009	\$149
Industrial Environment - September 2009	Worldwide Videotex	9/1/2009	\$25
Monthly Wholesale Gas Price Dataset	Datamonitor	9/1/2009	\$9999

Free annual reports

[FT Home](#)

[Site map](#) [Contact us](#) [Help](#)

[Advertise with the FT](#) [Media centre](#) [FT Newspaper subscriptions](#) [FT Conferences](#) [FT Syndication](#) [Corporate subscriptions](#) [FT Group](#) [Careers at the FT](#)

Partner sites: [Chinese FT.com](#) [The Mergermarket Group](#) [Investors Chronicle](#) [Exec-Appointments.com](#) [Money Media](#) [The Banker](#) [fDi Intelligence](#) [MBA-Direct.com](#) [The Non-Executive Director](#)

© Copyright [The Financial Times Ltd](#) 2009. "FT" and "Financial Times" are trademarks of [The Financial Times Ltd](#). [Privacy policy](#) [Terms](#)