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Oil giant Shell prepares to cut jobs

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Royal Dutch [Shell](#) managers are beginning the grim task of telling staff where job cuts will fall as new chief executive Peter Voser wields the axe.

A report on company protest site royaldutchshellplc.com said about 15% of jobs in the exploration and production unit will be lost and employees will be told early this week.

However, there is doubt over that figure as reductions have not been finalised yet. Shell declined to comment.

Voser has said thousands of positions will go as he slims down the oil leviathan in a plan called Transition 2009.

In an email to staff last month he said: 'We continue to operate in a challenging environment. That reinforces the urgency for us to step up our cost reduction efforts.'

The 'A' shares rose 18p to 1,703p yesterday.

In July, Voser struck a grim tone as he unveiled a 70% crash in second-quarter profits to £1.4bn. He also announced plans to hack capital spending by 10% and push through 'substantial' cuts to the firm's 102,000-strong workforce.

It follows a 17,000 reduction in headcount between 2003 and 2008 and a cull of a fifth of the firm's top managers already this year.

'We simply don't know when the global economy will recover, and we have to plan on the basis that this downturn could last quite some time,' said Voser at the time.

World oil demand will fall by over 2m barrels-a-day this year, the sharpest fall since 1980, according to Shell.

This time last year, firms were riding high on the back of [oil prices](#) that peaked at \$147 a barrel. But the global [recession](#) pushed prices almost down to \$30 a barrel early in 2009.

Since then, prices have recovered above \$70.



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