

1,000 people axed at Nokia Siemens

FRANKFURT, GERMANY: Nokia Siemens Networks, a joint venture between Finnish and German engineering giants Nokia and Siemens, said on Wednesday (5 December) it is shutting down one of its German units with the potential loss of 1,000 jobs.



"Nokia Siemens Networks is planning to close its German unit Nokia Siemens Networks Services, a network infrastructure services provider in the area of traditional telecommunications by end of 2013. The closure will affect 1,000 employees at 16 sites in Germany," the company said in a statement.

The business has not been profitable in the five years since it was set up in 2008, instead running up accumulated losses "in the double-digit millions of euros," Nokia Siemens Networks explained.

"In addition, given the decision to focus on mobile broadband as part of the strategic reorientation of Nokia Siemens Networks, these sort of network infrastructure services are no longer part of our core business," it said.

The unit, NSN Service, specialises in the installation and maintenance of so-called passive network technology such as cables, antennae and other components.

"We have made every effort to make the unit cost-effective on a lasting basis. But the business continues to make losses and there is no sign of it ever breaking even," said the head of Nokia Siemens Networks' German operations Hermann Rodler.

"From our point of view, these losses are unacceptable," Rodler said.

Negotiations were underway with labour representatives regarding the fate of the unit's employees, the company added.

The giant services sector union, Verdi, slammed the decision as "scandalous" and "unacceptable."

It urged Nokia and Siemens not to "punish employees for past business mistakes."

"The companies concerned must face up to their social responsibilities and offer employees stable employment prospects,"

Verdi said in a statement.

Verdi pointed the finger at management, saying they failed to solve the unit's structural problems.

"Employees are now having to pay for bad mismanagement with the loss of their jobs," the union said.

It noted that the closure would actually affect 850 employees since 200 of NSN Service's workforce enjoyed civil servant status dating back to when they were employed by the former state telecommunications monopoly Deutsche Telekom in its technical services operations, which were subsequently sold to NSN.

That meant the 200 employees had an automatic right to a job at Deutsche Telekom, the union said.

Source: *AFP* via I-Net Bridge

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