

BT ups cost cut plans as profits tumble

BT today upped its cost savings target by £500 million to £3 billion, raising the prospect of more [job cuts](#) and increasing the chances of another fight with [unions](#).


The telecom giant has already seen the [CWU](#), which represents 40,000 out of 100,000 staff, lead workers on strikes over pay.

Today chief executive [Philip Jansen](#) said the company would “leave no stone unturned to reduce waste, that will be across the board with everything”.

“The BT plan hasn’t changed,” he added. “We will go a little bit harder with everything.”

In the half-year profit fell 18% to £831 million, while revenue rose 1% to £10.4 billion.

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Jansen said in a statement: “BT Group remains on the front foot in these turbulent times. Our strategy is working, we’re executing against our plan and we’re confident that we’ll deliver our long-term ambition while underpinning economic growth in the UK.”

BT is facing competition from around 100 so-called "alternets", much smaller players trying to roll out broadband to help make Britain an ultra-fast wi-fi country.

There are some concerns that these firms might fail, forcing the government into a bailout as happened with smaller energy companies.

Jansen decline to be drawn on that issue, saying "I can't really comment on other people's business plans. At the end of the day the most important thing is customers, building a network is irrelevant if you haven't got the customers."

BT shares today fell 4p to 123p. That leaves them below the 130p a share at which they floated on the stock market three decades ago.

Alex Brodie, telecoms partner at law firm Gowling WLG, said:

"BT has faced a challenging first half to the year with growing competition, rising interest rates, ongoing disputes with employees over pay, and a fine for its accountant over audit failings.

"The telecoms provider will likely see further challenges, with the cost-of-living crisis potentially forcing some customers to cut back on non-essential purchases and make savings."