

Marmite maker Unilever to cut 7,500 jobs

Unilever, the consumer goods firm behind brands including Marmite and Domestos, has revealed plans to cut 7,500 jobs across its global operations.

The UK-based firm, which employs around 128,000 staff, said the proposed losses would come mainly from office roles as technology advanced.

It admitted that the UK, where it has 6,000 workers, would be included in the three-year productivity drive.

Unilever said it would begin consultations with those affected once the roles had been fully identified.

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The company separately announced that it planned to spin off its ice cream business, which includes the Ben & Jerry's, Magnum and Cornetto brands, by next year.

Other options, it added, would be considered to "maximise returns for shareholders".

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It told investors Unilever was targeting mid-single digit underlying sales growth and modest margin improvement after the proposed demerger which, it said, would create a "simpler and more focused company".

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Unilever said its productivity programme was expected to deliver total cost savings of around €800m (£984m) over the next three years, with total restructuring costs anticipated to be around 1.2% of its turnover during the period.

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Hein Schumacher, the company's chief executive, said: "Under the Growth Action Plan we have committed to do fewer things, better, and with greater impact."



Image:

Hein Schumacher succeeded Alan Jope as CEO in July last year

“The changes we are announcing today will help us accelerate that plan, focusing our business and our resources on global or scalable brands where we can apply our leading innovation, technology and go-to-market capabilities across complementary operating models.

“Simplifying our portfolio and driving greater productivity will allow us to further unlock the potential of this business, supporting our ambition to position Unilever as a world-leading consumer goods company delivering strong, sustainable growth and enhanced profitability.

“We are committed to carrying out our productivity programme in consultation with employee representatives, and with respect and care for those of our people who are impacted.”

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It was the first major shift under his tenure since succeeding Alan Jope who retired last summer amid unease over historic investor returns.

Amid questions over the City's post-Brexit competitiveness, Mr Schumacher said the company was "open to options" on where to list the ice cream arm.

Shares rose by almost 5% at the market open.

Matt Britzman, equity analyst at Hargreaves Lansdown, said of the update: "Action is what shareholders wanted to see from the new team at the top, and that's what's been delivered today.

"Ice cream always looked like the odd one out when you compare it to other product lines, and performance has struggled of late.

"It's not a huge shock to see this move, but it's something prior management wasn't able to deliver.

"Unilever's not an overly expensive name at the minute so expect markets to react positively to the news, perhaps more

due to the decisive action than anything else.”