

Spain's Telefonica offers voluntary redundancy to 5,000 staff

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Telefonica said its redundancy plan is part of its effort to adapt its workforce "to the needs of future challenges"

Spanish telecoms giant Telefonica said Tuesday it had offered a voluntary redundancy plan for roughly 5,000 workers in Spain over 53

years old—one fifth of its staff there.

The plan will cost Telefonica 1.6 billion euros (\$1.8 billion) and allow it to save 220 million euros per year beginning from 2021, the company said in a statement.

The heavily-indebted former [telecom](#) monopoly currently employs around 25,000 people in Spain. Telefonica employs nearly 122,000 people worldwide.

Telefonica said the redundancy plan, which it will present to unions on Wednesday, is part of its effort to adapt its workforce "to the needs of future challenges".

The company said it expects that "in the next few years more than half of its sales will be made through digital channels" and as a result it plans to retrain over 6,000 employees with a focus on areas such as [web development](#), IT, robotisation and security.

In a statement, Spanish trade union UGT accused Telefonica's management of trying to cut its payroll "to compensate for the difficult economic situation which the group faces in Spain and regain the confidence of investors and shareholders."

Telefonica has posted sluggish revenue growth in Spain, which accounts for more than a quarter of its sales.

Like other telecoms firms, it has invested heavily to deploy fibre networks. The company had a debt pile of 40.3 billion euros at the end of the first half of 2019.

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