

Shell cuts costs, slashes spending on virus turmoil

March 23 2020

Royal Dutch Shell said Monday it will slash costs and capital expenditure by billions of dollars due to the worsening coronavirus pandemic, which has sparked an oil price collapse.

The Anglo-Dutch energy major announced in a statement that it will axe operating costs by \$3.0-4.0 billion over the next 12 months, and will reduce its annual spending to \$20.0 billion from \$25.0 billion.

"As well as protecting our staff and customers in this difficult time, we are also taking immediate steps to ensure the [financial strength](#) and resilience of our business," said Chief Executive Ben van Beurden.

"The combination of steeply falling oil demand and rapidly increasing supply may be unique, but Shell has weathered market volatility many times in the past.

"In these very tough conditions, I am very proud of our staff and contractors across the world for maintaining their focus on safe and reliable operations while also ensuring their own health and welfare and that of their families, communities and our customers."

Shell added in the statement that it was taking "decisive action to reinforce the financial strength and resilience of our business so that we are well-positioned for the eventual economic recovery".

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