

Uber cuts 3,700 jobs amid pandemic slump

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Uber is cutting 14 percent of its workforce as part of its response to the pandemic-induced economic slump

Uber said Wednesday it was cutting 3,700 jobs amid a huge slump in its ride-hailing operations during the pandemic.

The cuts amount to around 14 percent of Uber's global workforce, which

does not include its contract drivers.

The company made the announcement in a regulatory filing, which also said chief executive Dara Khosrowshahi would waive his base salary for the remainder of the year.

The move comes a day ahead of Uber's earnings report, and follows a 17 percent staff cut by its US rival Lyft.

"Today's cost cutting move ahead of tomorrow's earnings is a painful, but unfortunately a necessary, move for Dara & co. to make in this unprecedented COVID-19 environment," said Daniel Ives at Wedbush Securities.

"On the other side of this dark valley, the Uber business model will likely look a lot different for the next few years (at least) and the company must rationalize costs and a smaller operation to focus on attaining profitability in this 'new normal' backdrop."

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