



Shell plans 400 job cuts at Dutch projects and technology department

By Tom Bergin

LONDON, July 31 (Reuters) - Royal Dutch Shell Plc plans to cut more than 400 jobs from its Dutch projects and technology operations, as the oil giant shifts its business model in a document seen by Reuters.

The world's second-largest oil company by market capitalisation said in a statement that "approximately 400 (staff) are potentially at risk of redundancy during the restructuring process."

That represents around a quarter of the roles at the department, according to Reuters. The group employs 92,000 worldwide.

"Shell is transforming into a simpler company," a spokesman said, adding that the move will involve "a reduction in the number of employees." He declined to answer detailed questions about the costs of the restructuring.

The proposed restructuring, which will also see dozens of research roles eliminated, is part of a broader effort to streamline the company. Lower oil prices are prompting the Anglo-Dutch oil giant to shift away from its traditional focus on large-scale projects over the next few years.

It also underscores an increasing shift of higher-value roles, such as research and development, to the United Kingdom.

"There will be fewer one-of-a-kind highly complex mega-projects and projects that require a lot of local knowledge," said the document. "This heralds a more 'commoditised' world for project delivery."

heralds a more commoditised world for project delivery," said the anonymous independent website used by Shell staff, and seen by Reuters.

In addition to staff cuts, Shell aims to reduce costs by outsourcing more "It is on expensive expatriate employment packages and by cutting layers of management."

"The industry as a whole has become less efficient over the last 1-2 decades. For example, many companies, which have become more efficient," it said.

The oil industry has been cutting jobs - including around 12,500 at Shell - as oil prices have rendered many previously profitable projects uneconomic.

While the second quarter saw a rebound in many companies' earnings, an increase in shale oil fields means a significant recovery from the around \$50/barrel level is unlikely anytime soon. That price is around half the level crude traded at over the last year.

(Editing by Louise Heavens)

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