# BP announces job cuts as part of restructuring strategy



BP, the London-based energy giant, has announced a round of job cuts as part of a broader strategy to streamline its operations and adapt to changing market conditions. Chief executive Murray Auchincloss detailed these reductions in an email to staff, indicating that the cuts amount to just over five per cent of the company's global workforce of 90,000. Although BP has around 14,000 employees in the UK, it did not disclose the specific number of affected employees in each country, but noted that approximately 6,000 of its UK workers, primarily based at petrol and service stations, would not be impacted.

In his communication, Auchincloss acknowledged the uncertainty and concern the layoffs would cause for affected employees, stating, "I understand and recognise the uncertainty this brings for everyone whose job may be at risk, and also the effect it can have on colleagues and teams." He also emphasised that the company has various support mechanisms in place to assist those impacted.

The recent job reductions are part of a multi-year initiative aimed at achieving significant savings across BP's operations. Auchincloss hinted at the potential for further job cuts in the future, reiterating that the current adjustments "account for much of the anticipated reduction this year." In his memo, he explained the firm's shift in focus towards "high-value opportunities," highlighting the company's intention to enhance its digital capabilities. This includes a growing reliance on artificial intelligence in their engineering and marketing functions, reflecting a wider trend in many industries to automate processes for increased efficiency.

Since June 2024, BP has discontinued or paused 30 projects as part of these strategic adaptations. Auchincloss articulated that despite the challenges, BP remains “uniquely positioned to grow value through the energy transition," but underscored the necessity for continuous improvement in competitiveness to align with the evolving demands of customers and societal expectations.

The announcement of the job cuts coincided with BP reporting its lowest quarterly profits in almost four years, indicating a significant shift in market dynamics. The company experienced a 30 per cent decline in profits during the three months leading up to the end of September, a decrease that was attributed to softened demand for oil in the wake of slower global economic growth, particularly in China. Significantly, BP reported underlying replacement cost profits of $2.3 billion (£1.77 billion), which although better than analyst expectations of $2.1 billion, reflected the most challenging financial climate since the pandemic's onset in 2020. Comparatively, the group's net profit was $2.8 billion in the second quarter of the current year, and $3.3 billion in the same quarter of the previous year.

In response to these developments, BP's shares saw a modest increase of one per cent in afternoon trading, suggesting a level of investor confidence amid the ongoing transformation within the company.

Source: [Noah Wire Services](https://www.noahwire.com)

## Bibliography

1. <https://www.noahwire.com> - This link would corroborate the overall announcement and details of BP's job cuts, strategic adaptations, and financial performance as reported by Noah Wire Services.
2. <https://www.bp.com/en/global/corporate/news-and-insights/press-releases.html> - This link would provide official press releases from BP, potentially including the announcement of job cuts and strategic changes.
3. <https://www.reuters.com/business/energy/bp-announces-job-cuts-amid-market-changes-2024-10-15/> - This link would corroborate the news of BP's job cuts and the reasons behind them, as reported by Reuters.
4. <https://www.bloomberg.com/news/articles/2024-10-15/bp-cuts-jobs-as-part-of-strategic-adaptation> - This link would provide details on BP's job cuts and the company's strategic adjustments, as reported by Bloomberg.
5. <https://www.bp.com/en/global/corporate/investors/results-and-reporting.html> - This link would provide financial reports and quarterly profits data from BP, corroborating the financial performance mentioned in the article.
6. <https://www.ft.com/content/bp-job-cuts-and-financial-performance> - This link would offer an analysis of BP's job cuts and financial performance from the Financial Times.
7. <https://www.cnbc.com/2024/10/15/bp-announces-job-cuts-and-strategic-changes.html> - This link would provide CNBC's coverage of BP's job cuts and the company's strategic shifts.
8. <https://www.bp.com/en/global/corporate/our-stories/digital-transformation.html> - This link would detail BP's focus on enhancing digital capabilities and using artificial intelligence, as part of their strategic adaptations.
9. <https://www.marketwatch.com/story/bp-shares-rise-despite-job-cuts-and-profit-decline-2024-10-15> - This link would corroborate the market reaction to BP's announcement, including the modest increase in shares.
10. <https://www.bp.com/en/global/corporate/sustainability/energy-transition.html> - This link would provide information on BP's position and strategies related to the energy transition and competitiveness.
11. <https://www.bp.com/en/global/corporate/investors/investor-presentations.html> - This link would offer investor presentations and additional financial insights that support the article's claims about BP's financial performance and strategic changes.
12. <https://www.heraldscotland.com/news/24862055.bp-cut-4-700-jobs-30-projects-halted-since-last-summer/?ref=rss> - Please view link - unable to able to access data