

INTEL CORP. CUTS OVER 5,000 JOBS - POSTS 90% DROP IN PROFIT FOR FOURTH QUARTER



Intel Corp. reports it will restructure manufacturing at five facilities in move that will end some Santa Clara operations and could impact up to 6,000 employees worldwide. Santa Clara-based Intel said the move is to "align its manufacturing capacity to current market conditions." The company said it will consolidate and streamline some older operations "without impacting the deployment of new, leading-edge 45-nanometer and 32-nanometer manufacturing capacity." Intel will end wafer production operations at the D2 facility in Santa Clara, close two existing assembly test facilities in Penang, Malaysia and one in Cavite, Philippines, and halt production at Fab 20, an older 200mm wafer fabrication facility in Hillsboro, Oregon laying off its 1,000 workers. The planned actions at the five facilities, when combined with associated support functions, are expected to affect between 5,000 and 6,000 employees worldwide. However, not all employees will leave Intel; some may be offered positions at other facilities, the company said. Intel CEO Paul Otellini told employees that the company could also see its first quarterly loss in 22 years in the company's first quarter 2009, according to reports on Tuesday. Intel reported a 90 percent drop in profit in the fourth quarter on a 23 percent decline in revenue of \$8.2 billion versus last years same period of \$8.74 billion. The company still holds 80 percent worldwide market share in the personal computer (PC) industry with chip set (CPU) agreements with the two largest PC equipmenmanufacturers DELL and Hewlett Packard as its significant partners. Otellini reportedly said the company "will be focusing on every nickel," saying there will be no merit pay or promotions, and vacancies only to be filled selectively. It appears one of Intel's largest chip manufacturing plants in Rio Rancho, New Mexico will not see any significant layoffs. Many of the job seekers are finding employment at [Employment Crossing](#)

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