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**Spotify to axe 1,500 workers to cut costs**

**Swedish music-streaming giant Spotify has announced it is cutting 17% of its workforce, about 1,500 jobs, as the company seeks to clamp down on costs.**

Chief executive Daniel Ek said he had made the "difficult" decision with economic growth slowing "dramatically".

Spotify employs about 9,000 people, and Mr Ek said "substantial action to rightsize our costs" was needed for the company to meet its objectives.

He added he understood the cuts would be "incredibly painful for our team".

"I recognize this will impact a number of individuals who have made valuable contributions", [Mr Ek said.](https://newsroom.spotify.com/2023-12-04/an-update-on-december-2023-organizational-changes/) "To be blunt, many smart, talented and hard-working people will be departing us."

[Spotify cut staff earlier this year](https://www.bbc.co.uk/news/technology-64374583) but these plans dwarf [[1]](#footnote-1)those previous announcements.

In its latest results, Spotify had reported a profit of €65m (£55.7m) for the three months to September – its first quarterly profit for more than a year – helped by price rises and higher subscriber numbers.

The tech company has been expanding worldwide as it seeks to reach a billion users by 2030.

It currently has 601 million of them, up from 345 million at the end of 2020.

Mr Ek said that given the recent “positive” results, the job cuts being announced “will feel surprisingly large” for many people.

He said Spotify had considered making smaller reductions during 2024 and 2025, but decided that more drastic action was needed to improve the company’s finances.

Since it launched, Spotify has spent a lot of money on growing the business, and in securing exclusive content, such as podcasts created by the likes of Michelle and Barack Obama as well as the Duke and Duchess of Sussex.

The deal with Harry and Meghan cost a reported $25m (£19.7m) and saw just 12 episodes delivered over two and a half years before the deal ended in June.

Commenting on podcast content, [Mr Ek told the BBC](https://www.bbc.co.uk/news/technology-66882414) in September: “The truth of the matter is some of it has worked, some of it hasn’t.”

The company will start informing affected employees on Monday. Employees will get about five months of severance [[2]](#footnote-2)pay, holiday pay, and healthcare coverage for the severance period.

Spotify will also offer immigration support to employees whose immigration status is connected with their employment.

Nick Edser & Shiona McCallum, BBC News 4, December 2023

1. *dwarf = be more important than* [↑](#footnote-ref-1)
2. *severance = pay after being fired* [↑](#footnote-ref-2)