Canva’s 1,271 layoffs: what the cuts mean for African software teams

A field brief on AI unit economics for East African software teams

22%	1,271	20%
Roles affected	People affected	Growth forecast

1. What was announced

On 4 November Canva said it would cut **22% of staff** and merge its product, growth and platform teams. 1,271 people will lose their jobs, be asked to relocate to a centralised hub, or move into different roles. Sydney becomes the primary home for more product teams, and hybrid staff are asked in two to three days a week from next year.

2. The financial context

The cuts follow a growth forecast cut to **20% from 30%**, taken to absorb rising AI costs, and a reported markdown of Canva’s valuation from about A$60bn to roughly A$49bn by two backers.

Reported figures

Metric	Value
Staff affected	1,271
Share of workforce	22%
Growth forecast	20%
Valuation (reported)	A$49bn

3. What it means in this market

Generative features turn a product with a fixed price into one with a variable cost per use, and that cost lands before the revenue does. Teams here sell per seat or per branch annually, so usage growth doubles cost without doubling price. The practical response: instrument cost per generated unit, cap it per tenant, price per outcome, and own the parts of the stack that carry margin.