BOEING TO CUT JOBS TO REDUCE COSTS

News / Manufacturer

Boeing will cut jobs at its commercial aircraft unit, a move that comes as the company is under intense pressure to lower costs to compete with Airbus.

The decision was announced by Boeing commercial planes chief executive Ray Conner in an employee webcast after the company saw sales fall and profit margins narrow last year.

Airbus won 57 percent of new aircraft orders booked by the two plane makers in 2015. Boeing's narrow profit margin resulted from, among other things, the continuing high cost of producing the 787 Dreamliner and a charge it took to account for slowing sales of the 747-8.

"To win in the market, fund our growth and operate as a healthy business, we are taking thoughtful steps to reduce the cost of designing and building our airplanes, part of which involves evaluating our employment levels across all of commercial airplanes," Boeing said.

"We will start reducing employment levels beginning with executives and managers first."

The company did not provide a timeframe for the job reductions or an overall target for cuts. It said the number of cuts "will depend on how effectively we bring down costs as a whole."

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