

Boeing slashes 12,000 jobs as virus seizes travel industry

May 27 2020, by David Koenig



In this April 7, 2020, file photo, U.S. Air Force KC-46 tankers being built by Boeing sit parked at the Paine Field airport in Everett, Wash. Federal safety regulators are outlining planned changes in how they approve new passenger airplanes after two crashes involving a Boeing model. But key lawmakers say they plan to push ahead with legislation to change the current system that lets aircraft makers including Boeing play a key role in certifying their own planes. (AP Photo/Ted S. Warren, File)

Boeing is cutting more than 12,000 jobs through layoffs and buyouts as the coronavirus pandemic seizes the travel industry, and more cuts are coming.

One of the nation's biggest manufacturers will lay off 6,770 U.S. employees this week, and another 5,520 workers are taking buyout offers to leave voluntarily in the coming week.

Air travel within the U.S. tumbled 96% by mid-April, to fewer than 100,000 people on some days. It has recovered slightly. The Transportation Security Administration said it screened 264,843 people at airports on Tuesday, a drop of 89% compared with the same Tuesday a year ago.

Boeing had said it would cut 10% of a [work force](#) that numbered about 160,000. A Boeing spokesperson said Wednesday's actions represent the largest number of job cuts, but several thousand additional [jobs](#) will be eliminated in the next few months.

The layoffs are expected to be concentrated in the Seattle area, home to Boeing's commercial-airplanes business. The defense and space division is stable and will help blunt the impact of the decline in air travel and demand for passenger jets, the company said.

Boeing said additional job cuts will be made in international locations, but it did not specify numbers.

"The COVID-19 pandemic's devastating impact on the [airline industry](#) means a deep cut in the number of commercial jets and services our customers will need over the next few years, which in turn means fewer jobs on our lines and in our offices," CEO David Calhoun said Wednesday in a memo to employees.

Calhoun said the company faces the challenges of keeping employees safe and working with suppliers and airlines "to assure the traveling public that it can fly safe from infection."

Calhoun warned that Boeing will have to adjust [business plans](#) constantly because the pandemic makes it hard to predict the impact on the company's business.

Boeing's crisis began with two crashes of its 737 Max, which led regulators around the world to ground the jetliner last year. The company's problems have deepened with the coronavirus, which has cut global air traffic by up to 90% and caused airlines to postpone or cancel orders and deliveries for new planes.

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