

General Electric to cut 10,000 aviation jobs

May 5 2020



General Electric aims to reduce its aviation employment base by 25 percent, or some 13,000 employees

General Electric announced Monday it will cut an additional 10,000 jobs from its aviation sector as the coronavirus pandemic decimates the industry, forcing companies to cancel orders.

The cuts will be a mix of voluntary departures and layoffs and come after an initial wave of 2,600 job cuts in March, GE said in a statement.

The company aims to reduce its aviation employment base by 25 percent, or some 13,000 employees.

The austerity program, which will affect all geographic zones, is reflective of the rough time the entire [aviation sector](#) is going through.

Boeing announced last week that it was cutting 16,000 [jobs](#), about 10 percent of its workforce, in civilian aircraft manufacturing.

It also heavily reduced production of its long-haul 787 and 777/777X planes. The company has yet to announce a date when it will resume assembly of its flagship 737 MAX aircraft. Airbus has similarly reduced production.

GE is directly affected by these decisions, as it makes plane engines for Boeing and Airbus.

Global air traffic is expected to fall 80 percent during the [second quarter](#) compared to February, GE said in a letter to 52,000 employees.

"To protect our business, we have responded with difficult cost-cutting actions over the last two months," CEO David Joyce said in the letter.

"Unfortunately, more is required as we scale the business to the realities of our commercial market."

The [job cuts](#) are part of a \$3 billion savings plan that will be implemented this year.

In addition, half of the employees in charge of aviation maintenance and

repairs are out of work for three months.

Hiring has also been frozen and bonuses canceled.

GE, which makes [aircraft engines](#) in a [joint venture](#) with the French company Safran, CFM, saw revenue fall by eight percent to \$20.52 billion in the first quarter.

The aviation division's revenue plunged 13 percent to \$6.9 billion, while its orders were down 14 percent.

The group, which warned at the end of April that the worst was yet to come, has not sought the financial aid that US President Donald Trump has promised to companies in order to protect jobs.

© 2020 AFP

Citation: General Electric to cut 10,000 aviation jobs (2020, May 5) retrieved 20 March 2024 from <https://techxplore.com/news/2020-05-electric-aviation-jobs.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
