Boeing to consolidate US 787 production in cost-saving move

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Boeing will shift some 787 plane production from its Everett, Washington, site pictured here, to its South Carolina factory; Everett will continue to produce other Boeing planes

Boeing will consolidate manufacturing of the 787 Dreamliner plane to one plant in the US, ending production of the wide-body jet in Washington state, the company announced Thursday.

The move follows earlier announcements by Boeing that it would slash production of the jets to six per month in 2021 from 14 due to weak demand for airline travel because of the coronavirus.

The US aviation giant has not announced staffing cuts as a result of change, but made clear production for several models would continue in Washington.

The company needs to "look at every opportunity to adapt, preserve our liquidity and be more competitive in a very different commercial market," Stan Deal, head of Boeing's commercial plane division, said in an email to staff.

"To ensure we can be effective in a market that will be smaller in the near-term, and one that will have different demands from our customers long-term, we made a decision earlier this morning to consolidate 787 production in South Carolina after months of detailed and thorough study."

Boeing said it had not yet determined how the shift would affect staffing in Everett, Washington and North Charleston, South Carolina.

About 900 employees work on the 787 at the Everett site, which as a whole has 30,000 workers—although the current number is lower because some staff is working from home.

Headcount in South Carolina at the start of 2020 was 6,869, a Boeing spokeswoman said.

Boeing began manufacturing the 787 in Everett in 2007 before starting production in South Carolina in 2019. Only the South Carolina plant is equipped to build the current Dreamliner models, which are bigger than the initial versions, the company said.

"Our team in Puget Sound will continue to focus on efficiently building our 737, 747, 767 and 777 airplane families, and both sites will drive Boeing initiatives to further enhance safety, quality, and operational excellence," Deal said.

In July, Boeing reported a loss of $2.4 billion through the first half of 2020, the result of an airline industry downturn and the hit from the grounding of its 737 MAX following two deadly crashes.

The company has announced plans for additional job cuts following a 10 percent headcount reduction.

Chief Executive Dave Calhoun said in July he thinks it will be about three years before the airline industry recovers to pre-coronavirus levels.

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