Boeing Commercial Airplanes Employment to Decline in 2009

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SEATTLE, Jan. 9 /PRNewswire-FirstCall/ -- Boeing said today that employment at its Commercial Airplanes business unit is expected to decline by approximately 4,500 positions in 2009 as part of an effort to ensure competitiveness and control costs in the face of a weakening global economy.

The reduction will bring Commercial Airplanes' employment to approximately 63,500, similar to the level it was at the start of 2008.

"We are taking prudent actions to make sure Boeing remains well positioned in today's difficult economic environment," said Scott Carson, president and CEO of Boeing Commercial Airplanes.

"We have made significant strides in recent years to achieve greater efficiency and productivity, but we still face challenges that we must address," Carson said. "We regret the disruption to those affected by this decision, but we believe that acting now will allow us to be in a financial position to adapt to market uncertainties, meet our customer commitments, continue investing in our current and future product lines, and protect our competitiveness in a fiercely competitive business environment."

Commercial Airplanes has begun a program to reduce overhead costs and discretionary spending. Although normal attrition and a reduction in contract labor will account for some of the job reductions, layoffs of Boeing employees also are necessary.

Many of the job reductions will be in overhead functions and other areas not directly associated with airplane production. This will enable Boeing to continue focusing on successfully executing new airplane development programs, delivering airplanes to customers, continuously improving productivity and quality, and supporting customer airplanes in the fleet.

Most of the reductions are expected to occur in Washington state in the second quarter of the year. Affected employees will receive 60-day notices beginning in late February. Boeing will support laid-off employees with layoff benefits and career-transition services.

Commercial Airplanes began 2008 employing more than 63,000 people (including contract labor) and increased employment to nearly 68,000 by year-end.

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