AIRBUS JOB-CUTS POSSIBLE AS PLANE MAKER CONSIDERS RESTRUCTURE PLAN

News / Manufacturer

The Airbus chief Tom Enders said on Monday he did not rule out job cuts at the European aircraft manufacturer after a media report said the group was considering slashing costs.

"You never exclude anything when you're talking about efficiency and synergy but we're in the process of thinking it all through, how we can make our corporate structures leaner and more efficient," Mr Enders said, when asked if cost-cutting could hit staff.

Mr Enders' comments came as the African discount airline Fastjet announced it will switch to a fleet of Embraer regional jets from larger Airbus planes as the new chief executive Nico Bezuidenhout seeks to stem losses by better matching capacity to demand.

The fledgling carrier will also move its headquarters to Johannesburg from London to pare expenses.

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Fastjet will have returned three leased 145-seat Airbus A319 jets by the end of September and plans to sub-lease two, with a sixth, which it owns, up for sale.

Airbus job-cuts possible as plane maker considers restructure plan

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The carrier has agreed short-term leases on three Embraer E190s with fewer than 120 seats apiece, the first of which is due in Tanzania within two weeks.

"Right now it’s about stabilisation," Mr Bezuidenhout said. "The right steps are being taken and it’s going in the right direction."

The Financial Times reported on Monday that Airbus was eyeing savings that could include job cuts as the company tries to deal with slow sales for the A380 superjumbo and manufacturing problems with the A400M military transport plane.

It said the company was seeking to reduce duplication between its aircraft division, which accounts for just over two thirds of revenues, and the parent company and other divisions.

Mr Enders declined to confirm that any restructuring plan was imminent.

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However, he said "cost is always an element in any normal company, competition is relentless, competition is always increasing.

"All we’re doing is thinking of how we can make this company faster, more efficient, more successful, in tomorrow’s business world."

In July the company booked a just over €1 billion (Dh4.1bn) charge due to delays in deliveries of the A400M and said it was slowing its production of the A380 as new orders have dried up for the aircraft.

The company is meanwhile trying to boost production of its most popular aircraft, the A320, which helped to bring Airbus’ order book up to €978bn at the end of June.

A possible round of lay-offs at Airbus, which is headquartered outside Toulouse, would probably have political reverberations in France as high unemployment is shaping up to be a key issue in the presidential election seven months away.

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