



AIRBUS BRINGS JETS, SPACECRAFT, HELICOPTERS AND MISSILES UNDER ONE ROOF

News / Manufacturer



Airbus Group will combine all of its divisions into a single company in a major step toward simplifying a business that spans jetliners to space launchers as the chief executive Tom Enders seeks to cut costs and speed decision-making.

Fabrice Bregier becomes chief operating officer for the group, making him No 2 to Mr Enders, while remaining the head of the main planemaking unit – renamed Airbus Commercial Aircraft – with the title of president rather than chief executive.

As chief operating officer Mr Bregier will have oversight of the company's entire portfolio, which also includes helicopters, missiles, satellites and defence electronics.

The revamp, announced at the weekend, seeks to establish Airbus as a regular company, abandoning the last vestiges of the complex structure adopted when it was created in a merger of

the biggest aerospace companies from France, Germany and Spain in 2000. It also makes Mr Bregier favourite to succeed Mr Enders, when the chief executive stands down.

"The merger of Airbus Group and Airbus paves the way for an overhaul of our corporate set-up, simplifies our company's governance, eliminates redundancies and supports further efficiencies, while at the same time driving further integration of the entire group," Mr Enders said.

Marwan Lahoud, until now the No 2 at the corporate level, is to become strategy director, while research and development activities will fall under the direction of Paul Eremenko, who has worked for Google and the Pentagon's advanced-research arm, according to people briefed on the meeting.

Airbus said nothing about the scope of potential job cuts, although Mr Enders told Airbus's 137,000 employees in a memo obtained by Bloomberg that the effects of changes on the workforce "are not negligible". The group needs to pare expenses as weak sales force it to curb production of the A380 superjumbo and review helicopter output.

Mr Enders has said that the cuts won't approach the level of the Power8 programme last decade, which saved €2.5 billion (Dh10.32bn) annually at a cost of 8,000 jobs.

Airbus has had a particularly unwieldy organisation after initially having two headquarters and two chief executives to reflect its Franco-German nationality. Even after the company adopted a unitary structure the plane making arm dominated the rest of the group and had a parallel management.

The reorganisation comes as Airbus Commercial Aircraft, which contributes two-thirds of group revenue, seeks to accelerate output of both single-aisle and wide-body jets to record levels. Two new models, the A320neo and A350, have respectively encountered issues with the supply of engines and interiors that could clip production rates.

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