

Airbus announces 2,500 job cuts in defence and space unit

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Paris: Airbus has announced plans to cut up to 2,500 jobs in its defense and space division, citing a “complex business environment” driven by rising costs and “rapid changes in warfare.”

In a statement Wednesday (Oct 16) , the European aviation giant, said that eliminating the roles will help create a "more effective and efficient organizational structure."

"Our aim is to shape the division into a leading and competitive player in this constantly evolving market," said Mike Schoellhorn, CEO of Airbus' defense and space unit. "To achieve this, we need to become faster, leaner, and more competitive."

No compulsory redundancies were planned and further details would be issued at a later time, Airbus added. The company had almost 148,000

staff at the end of last year.

The Airbus cuts come just months after it said in its second-quarter earnings report that the space division was affecting its financial performance.

In those earnings, it took a charge of 989 million euros (\$1.08 billion) against the space business, relating to an audit of costs in the division and projected lower revenues.

On Wednesday Schoellhorn said the company has been affected by "a fast-changing and very challenging business context with disrupted supply chains, rapid changes in warfare and increasing cost pressure due to budgetary constraints."

In June Airbus said it would deliver about 770 commercial jets this year, down from a previous target of 800. Its A320neo family of single-aisle jets has outsold the Boeing 737 Max since 2019, following its two fatal crashes.

The Airbus job cuts come just days after its arch aviation rival, Boeing, said it would eliminate about 17,000 roles. The cuts relate to its ongoing production issues and an ongoing strike at its key manufacturing plant near Seattle.

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