

Boeing reaches deal to avoid strike

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Virginia, USA: Boeing Co. and its largest union said they've hammered out a landmark deal to potentially avoid a strike that would risk crippling the already troubled US aircraft manufacturer.

The offer includes a 25pc wage increase over four years and a commitment to build Boeing's next plane in the Seattle area, the two sides said in separate statements. There are financial sweeteners if workers accept the accord, including an immediate 11% pay bump, along with a \$3,000 bonus to be paid at the end of the month.

The breakthrough emerged after a marathon bargaining session, with a strike vote looming after the current contract expires at midnight Sept. 12. The accord promises to be a significant victory for new Boeing Chief Executive Officer Kelly Ortberg and his pledge to reset long-contentious labor relations. But it's too soon to know if workers will go along or buck their leadership, with anti-management sentiment still running high on

the factory floor.

“Labor had a lot of leverage here, and Boeing had limited leverage,” said Robert Spingarn, an analyst with Melius Research. “Boeing has some mountains to climb, and the last thing they need is an uncooperative union.”

Boeing’s agreement to build the next new airplane in the Pacific Northwest has far-reaching ramifications, even if that model isn’t launched during the four-year term of the agreement, Spingarn said in an interview. Doing so strips the planemaker of leverage in future contract talks. A decade ago, Boeing used threats to shift the 777X to convince workers to forgo pensions.

Commercial Airplanes President and CEO Stephanie Pope touted the contract as providing the “largest-ever general wage increase” in a video message to employees. The deal includes concessions on health-care benefits, retirement benefits and mandatory overtime.

“Just as important, this contract deepens our commitment to the Pacific Northwest,” said Pope, who is also Boeing’s chief operating officer. “Boeing’s roots are here in Washington.”

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