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Embraer says collapsed Boeing deal, Covid-19 led to hundreds of job cuts

By [Andrew McIntosh](#)

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Embraer, the Brazilian regional jet maker and jilted former Boeing partner, said Thursday it is cutting 900 jobs, joining a parade of aerospace companies worldwide [that are shrinking fast](#).

The world's third-largest aircraft manufacturer after Boeing and Airbus said the workforce cuts represented a 4.5% reduction of its global workforce.

"The objective (of the 900 layoffs) is to ensure Embraer's sustainability and engineering capacity," [the company said as it outlined the rationale for its cuts](#) in a news release.

The layoffs follow the departures of 1,600 additional Embraer workers, who've taken voluntary buyouts from the company, as well as furloughs and other measures. The company said on its website it has 18,000 workers.

Embraer North America spokeswoman [Alyssa Ten Eyck](#) declined to answer when asked if U.S. workers were also cut.

Embraer said the Covid-19 pandemic's impact on the airline industry and the cancellation of its joint venture partnership

with Boeing made the cuts necessary.

In April, [Embraer lashed out at Boeing after the Chicago-based jet maker](#) walked away from its \$4.2 billion joint venture partnership with the Brazilian jet maker.

Like Boeing, though, Embraer said the pandemic has particularly affected its commercial airplanes unit, which has suffered a 75% drop in aircraft deliveries during the first half of 2020 compared to the same period last year.

Embraer said it now believes "the air transport sector will not recover in the short- or medium-term."

Bainbridge Island aerospace analyst [Scott Hamilton](#) said the layoffs weren't surprising, given the Brazilian company's precipitous drop in commercial airplane deliveries. Embraer has the same woes as Boeing does here as regional airlines are canceling orders and deferring new jet deliveries.

"Layoffs is what you do when business is way down like that," Hamilton said.

Embraer reported a \$198 million loss in its second quarter last month, which followed a \$292 million Q1 loss. It also delayed the first delivery of its new jet, the E175-E2, until 2023.

AirInsight analyst [Addison Schonland](#) said the Embraer layoffs would have been much higher had it not been for the buyout packages the company offered to persuade volunteers to leave.

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