

Boeing CEO end of 2024



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Step down by end of 2024

as part of a broad management restructuring within the troubled aerospace company



Dave Calhoun, Boeing's chief executive, who has announced he is stepping down. Reuters



Alkesh Sharma | Shweta Jain

Mar 25, 2024



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[Boeing's](#) chief executive Dave Calhoun is to step down by the end of 2024 as part of a [broad management restructuring](#) within the [troubled aerospace company](#).

Stan Deal, the US plane maker's commercial planes president and chief executive, will also retire, with Stephanie Pope taking his place, Boeing said in a statement on Monday.

Mr Calhoun will "continue to lead Boeing through the year to complete the critical work under way to stabilise and position the company for the future", Boeing said in a statement on Monday.

"It has been the greatest privilege of my life to serve Boeing ... the eyes of the world are on us, and I know that we will come through this moment a better company," Mr Calhoun said in a letter to employees.

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Boeing chief executive Dave Calhoun

Mr Calhoun took the helm at Boeing in early 2020 after the company ousted its previous chief executive Dennis Muilenburg.

Boeing's share price was up in early trading on Monday after Mr Calhoun's announcement. It was trading 1.43 per cent up at \$191.56 a share at 7.40pm UAE time (11.40am New York time) giving the company a market capitalisation of \$116.92 billion. The stock is down 23.91 per cent since the start of the year.



The fuselage plug area of Alaska Airlines Flight 1282 Boeing 737-9 MAX, which was forced to make an emergency landing with a gap in the fuselage. Reuters

Larry Kellner, the chairman of the company's board, will also resign during Boeing's annual meeting in May. Steve Mollenkopf, a Boeing director since 2020, has been appointed as the new chair.

Boeing said Mr Mollenkopf, the US chip maker Qualcomm's former chief executive, will lead the process of selecting the company's next chief executive.

Mr Kellner has served on the Boeing Board for 13 years and served as its chairman since 2019. He oversaw the establishment of a new board aerospace safety committee.

Feedback

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Boeing's stock is down 23.91 per cent since the start of the year. Reuters

A series of incidents involving Boeing jets this year, including the in-flight blowout of a 737 Max 9 door plug of an Alaska Airlines plane, have plagued the company. This has forced airlines to re-examine their fleet-expansion plans amid slower production rates and delayed deliveries.

The US Federal Aviation Authority (FAA) has imposed curbs on the Boeing 737 Max production rate after the 737 Max incident when a door plug blew off with the plane at 16,000 feet on January 5. This has led to probes into the safety and quality standards in Boeing's production process.

Boeing develops, manufactures and services commercial aircraft, defence products and space systems for customers in more than 150 countries.

The management changes are not surprising as Boeing has come under "intense scrutiny from customers and the FAA [Federal Aviation Administration] /government", according to a research note from Jefferies on Monday.

"We view the moves as positive," the note said.

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The change marks the "next chapter" for Boeing, which includes an intense focus on safety, manufacturing, and customers/government relations that have come under stress as of late, it added.

Feedback

Boeing's woes give rival A
bigger edge



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"Yet, the true test will be how these changes affect Boeing's ability to innovate and lead in a rapidly evolving aerospace market ... the company's future will unfold based on its capacity to manage current challenges while laying the groundwork for future growth and technological advancement," Mr Bauer said.

However, there are concerns among industry observers that prioritising operations and cost reduction may divert attention away from the company's commitment to invest in future technologies and strategic planning, Mr Bauer said.

Last week, the company's chief financial officer Brian West said Boeing would burn more cash in the first quarter than previously expected because of limited 737 Max production.

Addison Schonland, a partner at AirInsight, a US-based aviation consultancy, said the moves were Boeing's admission that things could not continue as they have, and that this in itself was a big step forward.

"Overall, this is likely to see some disruption as the old guard leaves and new people come in ... it is likely to be a short disruption because everyone inside the company knows what needs fixing," Mr Schonland said.

John Strickland, an aviation consultant with JLS Consulting, described Boeing's management reshuffle as a "symbolic and important" step.

He said it has sent a clear message that the company is serious about restoring trust and recovering its reputation for safety and quality.

Boeing frictions giving Airbus an extra edge

Boeing's [growing list of woes](#) is helping its [European rival Airbus](#) gain the edge in the plane makers' duopoly of the skies, with the attention now more on quality.

The Arlington, Virginia-based company is valued about \$18.93 billion lower than its Toulouse-based competitor, as of 6.55pm on Tuesday.

Boeing may be forced to accept a lower market share in terms of volume than previously, as there is now a clear focus on quality, according to the Cirium Ascend Consultancy.

In the first two months of 2024, the US company has delivered 54 planes, while Airbus has widened its lead over its rival, delivering 79 planes so far this year.



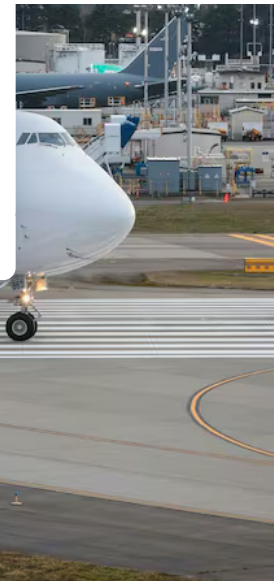
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The final 747 airplane produced by Boeing, a 747-8 Freighter for Atlas Air, taxis before take off from Paine Field in Everett, Washington on February 1. AFP

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