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Jet firm cuts 205 LR jobs

Since June, Dassault plant trims at least 430

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LITTLE ROCK — Dassault Falcon on Friday cut 205 workers from its business-jet finishing plant in Little Rock, nearly doubling the number shed there since June to at least 430.

Terminated workers include 150 Dassault employees and 55 contract workers.

About 1,760 workers remain at the plant at Little Rock National Airport, Adams Field, spokesman Andrew Ponzoni said. The French company in September said it would lay off 72 workers, after 153 workers were let go in June.



Workers leave the Dassault Falcon jet plant Friday at Little Rock National Airport, Adams Field. Jobs were cut there Friday "as a last resort," the company's chief executive said.
Photo by **Benjamin Krain**

Friday's move will align employee levels with lower sales and production rates at the plant, Dassault said.

John Rosanvallon, the company's chief executive, said the workers were cut "as a last resort, and our objective is to preserve as many jobs as possible."

"While we see signs that the business aviation market may be stabilizing, it's too early to predict when sustained growth will return to our industry," Rosanvallon said in a prepared statement.

The 110 employees at Dassault Aircraft Services in Little Rock, one of five maintenance facilities for Dassault worldwide, were unaffected by Friday's reductions, Ponzoni said. The maintenance business is on the same property as the jet completion plant.

Dassault's latest cuts follow similar announcements this fall by other major manufacturers in Arkansas, including up to 477 reductions at school-bus maker IC Corp. in Conway starting as early as January. Georgia-Pacific said in late October that it will lay off about 300 workers in Fordyce for up to six months, idling the first plywood plant built in the South.

Hawker Beechcraft - based in Wichita, Kan., and the other large aircraft manufacturer with a presence at the Little Rock airport - laid off workers last month but was unwilling to say how many.

Friday's cuts came on a day when the government said the nation lost just 11,000 jobs in November compared with the 130,000 expected by Wall Street, according to The Associated Press.

The U.S. unemployment rate dipped to 10 percent, from 10.2 percent, also surprising analysts.

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Arkansas saw a gain of 2,400 jobs in October versus September, even as its jobless rate edged up to 7.6 percent. The state has shed 28,700 jobs in the past year.

Kathy Deck, director of the Center for Business and Economic Research at the University of Arkansas at Fayetteville, said Friday that she expects companies in all sectors to continue to make announcements like the one Friday - even when the nation enters a "jobless recovery" expected by many economists, or one in which the unemployment rate remains high.

Historically, Deck said, recessions reach Arkansas later than the rest of the country, as do recoveries.

Dassault said Friday that nine workers were laid off at the company's U.S. headquarters in Teterboro, N.J.

Richard Aboulafia, an aviation industry expert and vice president of analysis at the Fairfax, Va.-based Teal Group, which supplies information on the aerospace and defense industries, called Dassault "the only businessjet manufacturer that only plays in the top half," meaning the most expensive.

Upper-tier business jets have "gotten off lightly" compared with cheaper counterparts during the recession, he said, in part because the wealthiest buyers don't need to rely on others to finance their aircraft.

"What you're seeing [in Little Rock] is nothing compared to what they're experiencing in Wichita [Kan.], which is a town that's purely dominated by bottom-half-of-the-market business-jet players," Aboulafia said.

Aboulafia said he expects the upper-end market to tighten going forward but not to get as bad as what the lower tier has experienced.

The aircraft and spacecraft industry was the top category of Arkansas exports in 2008, accounting for about \$1.4 billion of the state's \$5.8 billion in exports to other countries.

Two years earlier, the state had \$1.03 billion in aircraft and spacecraft industry exports, according to a report from the Arkansas Economic Development Commission.

A meeting for the Dassault workers and state officials is scheduled for Monday and will cover retraining, job search tips, unemployment benefits and other topics, Ponzoni said.

Ponzoni said the Little Rock plant is the company's largest facility worldwide in terms of both employment and physical "footprint."

Friday's moves will not affect the delivery schedules of Falcon jets to customers, Ponzoni said.

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