

BOEING LOSES EUR 9.8 BILLION OVER THE PANDEMIC AND THE 737 MAX SCANDAL



The American aerospace company Boeing closed 2020 with a loss of 11,941 million dollars (about 9.8 billion euros), 18 times more compared to 2019, mostly due to the COVID-19 crisis and the groundings of the 737 MAX.

“2020 was a year of profound societal and global disruption, which significantly impacted our industry. The deep impacts of COVID-19 on commercial air travel, as well as the 737 MAX grounding, are reflected in our performance,” said Boeing President and CEO Dave Calhoun in a statement.

The company’s total revenue decreased by 24% last year compared to 2019, down to 58,158 million dollars (about 48 billion euros). On the other hand, expenses stood at 63,843 million dollars (about 53 billion euros), 11.4% below those of 2019.

Boeing delivered to its customers half of the commercial aircraft compared to the previous year (157 aircraft), in addition to suffering a record of 655 cancelled orders.

During the last quarter of 2020, Boeing lost 8,439 million dollars (about 6,960 million euros), registering revenues of 15,304 million dollars (about 12,600 million euros), which represents a decrease of 14.5% compared to the same quarter of 2019.

The return of the 737 MAX in the United States and several other markets after more than 20 months on the ground due to the two fatal accidents, in which 346 people died, was an important step for the company.

Since the approval of the US Federal Aviation Administration (FAA) to return to operation, Boeing has delivered more than 40 737 MAX aircraft and five airlines have included the planes back into their fleets as of January 25, 2021, with more than 2,700 incoming flights and approximately 5,500 flight hours.

As for the new series previously announced by Boeing, the company now expects the first delivery of the 777X to occur in late 2023. Moreover, its initial production will be reduced from 400 to 350 aircraft. The delay in this aircraft represented a negative of 5.375 million euros for the company. The delay reflects a number of factors, including an updated assessment of global certification requirements, the latest assessment of the company’s COVID-19 impacts on market demand, and discussions with customers regarding aircraft delivery times. Indirectly, however, the latest delay on the scheduled delivery dates is actually a relief for airlines that took an interest in the jet, which will be the longest in the world once it enters operations.

Date: 2021-02-01

Article link:

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