BOEING LIKELY TO MATCH AIRBUS ON SINGLE-AISLE OUTPUT: SOURCE

News / Manufacturer

Boeing Co is likely to broadly match European rival **Airbus** SA in notching up production of single-aisle aircraft to 60 a month, but the timing of Boeing's move remains uncertain, according to a person familiar with the situation.

Airbus said on Friday it would lift monthly output of its top-selling A320 to 60 in mid-2019, a 20 percent jump over its prior target of 50, and a move seen pressuring Boeing to match with its competing 737 jetliner.

Boeing is talking with suppliers about how soon they could keep up with 60 a month for the 737, the source said, having already determined the higher rate is feasible.

"That's where the discussion is," said the source, who was not authorized to speak publicly about the talks. Boeing declined to comment.

Boeing and Airbus are leapfrogging each others' plans to lift output of single-aisle planes as they

© 2015-2026 50SKYSHADES.COM — Reproduction, copying, or redistribution for commercial purposes is prohibited.

work through backlogs that stretch out eight to 10 years. Rising production gives suppliers more work and shortens the time airlines have to wait for new aircraft.

The move also "could stoke concerns over narrow-body oversupply, especially if Boeing matches," RBC analyst Robert Stallard said in a note.

Last week, Boeing Chief Executive Dennis Muilenburg told analysts that the company sees scope to lift rates beyond the current 52-a-month target.

"However, we remain steadfast in our financial discipline as we assess the market demand for further production rate changes," he cautioned, referring to determining return on investment of any production shift.

Both plane makers produce 42 single-aisles a month now. Boeing has said it plans to hit 52 a month in 2018.

In June, engine makers voiced concern about the ability of suppliers to keep up with rising output. But those worries have eased in recent months, and regulators appear poised to certify the engines and as airworthy this year, two sources said.

Airbus builds A320s in France, Germany and China, and recently opened a factory in Mobile, Alabama, that is due to deliver its first plane to JetBlue Airways Corp in the first quarter of 2016.

Boeing has retooled its 737 plant in Renton, Washington, to create a third assembly line; each is capable of producing 21 planes a month, giving Boeing potential to go to 62 a month.

31 OCTOBER 2015

SOURCE: REUTERS
ARTICLE LINK:
https://50skyshades.com/index.php/news/manufacturer/boeing-likely-to-match-airbus-on-single-aisle-output-source

© 2015-2026 50SKYSHADES.COM — Reproduction, copying, or redistribution for commercial purposes is prohibited.