BNDES FINANCES THE EXPORT OF 32 EMBRAER E175 JETS TO AMERICAN AIRLINES

News / Airlines, Finance, Manufacturer

The Brazilian National Bank for Economic and Social Development concluded the financing contract for the export of 32 Embraer E175 commercial jets to American Airlines. The operation, worth around R$4.5 billion, takes place through BNDES Exim Post-shipment, a direct credit line from the Bank to commercialization of national goods destined for export. The announcement was made in a ceremony at Embraer's headquarters in São José dos Campos, interior of São Paulo state, which was attended by the Brazilian President, Luiz Inácio Lula da Silva, the Brazilian Vice-President, Geraldo Alckmin, the Minister of Ports and Airports, Silvio Costa Filho, and the president of BNDES, Aloizio Mercadante, among other authorities.

The support of BNDES has been fundamental to the Brazilian aeronautical industry, which is considered strategic due to its high technological content, generation of high-skilled jobs, and development of innovations with positive societal impacts.

Francisco Gomes Neto, president and CEO of Embraer commented: “This financing will contribute to accelerating the production and export of our aircraft to American Airlines and boosts Brazil’s

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

neo-industrialization process, increasing the country’s innovation and competitiveness. BNDES, with its strategic vision, has been fundamental to the development of national industry through financing exports, access to working capital resources and investment in research and development.”

Bank's president, Aloizio Mercadante stated: “BNDES is Embraer's largest partner and has supported the export of more than 1,300 aircraft since 1997. This is financing that exceeds the sum of US$25 billion over the years. The maintenance of this support, under President Lula's government, contributes to the Brazilian company remaining one of the three largest in the world in aircraft production, generating qualified jobs and income in Brazil.”

José Luís Gordon, Director of Productive Development, Innovation, and Foreign Trade of BNDES said: "BNDES is committed to innovation in the Brazilian aerospace industry to make it increasingly competitive and sustainable, with the capacity to expand markets and develop new technologies, aligned with the Brazilian federal government's Mais Produção Plan, in the axis of a more exporting and innovative industry focused on high value-added products."

At the beginning of the year, American Airlines announced a firm order for 90 E175 jets, with purchase rights for an additional 43 aircraft. The jets will be delivered with 76 seats. If all purchase rights are exercised, the agreement will exceed US$ 7 billion in value, according to list price. The value of the firm orders was included in Embraer's backlog in the first quarter of 2024.

In addition to exports, BNDES also supports Embraer's innovation investment plan. In February, the Bank approved financing of R$500 million (US$90 million), through BNDES Mais Inovação, for the company to develop new products, processes, and digital technologies for gains in efficiency, productivity, and also for sustainable air mobility, with a focus on energy transition and carbon emission reduction.

Historically, countries with cutting-edge aeronautical industries have provided perennial financing to their respective national manufacturers through development banks (DBs) and export credit agencies in their respective countries. In Brazil, this role is played by BNDES. The Bank financing complements financing provided by the private market and enables Embraer to compete in the foreign market on an equal footing with its competitors.

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

21 JULY 2024

ARTICLE LINK:
https://50skyshades.com/news/finance/bndes-finances-the-export-of-32-embraer-e175-jets-to-american-airlines

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