



# BOEING RISKS LOSING \$1.1 BILLION JET ORDER ON EX-IM SHUTDOWN

News / Manufacturer



South Africa's Comair Ltd. may have to drop \$1.1 billion in Boeing Co jet deliveries due to begin in October after struggling to line up financing without U.S. government assistance.

The transaction, described in a Sept. 28 letter to Boeing from Comair, would be the planemaker's first aircraft order imperiled since the U.S. Export-Import Bank's charter expired June 30. Boeing is the biggest beneficiary of the agency, which has been attacked by some congressional Republicans who say it aids big businesses that don't need help.

Comair had negotiated financing for three 737-800 jetliners due to be delivered in October, February and November 2016 with the expectation of Ex-Im support, Chief Executive Officer Erik Venter said in a letter addressed jointly to Boeing CEO Dennis Muilenburg and Ray Conner, who

heads the company's airplane unit.

Without Ex-Im support, Comair will have to find credit "at a significantly higher cost" due to South Africa's weak currency and the airline's relatively small size, Venter said. Doing so "will undermine the long-term viability of acquiring Boeing aircraft," he said.

Also in jeopardy are eight single-aisle 737s slated to be delivered over a two-year stretch starting in 2019, Venter said. The carrier needs Ex-Im assistance to make progress payments on the jets that are due next year. If that's not available, it will turn to Airbus Group SE and European agencies for help.

Boeing's 737-800 has a \$96 million list price, while the newer 737-8 due later this decade retails for \$110 million. Carriers typically negotiate discounts.

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