



BOEING SAYS IRAN CAN BUY PLANES IN EUROS

News / Manufacturer



Global aviation giant Boeing says Iran’s airlines could purchase its passenger jets in euros rather than in dollar if the United States’ financial system does not open up to Iran.

The announcement was made by Marty Bentrutt, Boeing’s vice-president for Middle East sales, on the sidelines of the International Air Transport Association (IATA) annual meeting in Dublin.

“There is plenty of opportunity still for Boeing,” he said, who himself has visited Tehran since the plane maker was granted permission to engage in commercial discussions.

“There is some very positive interest,” Gulf News has quoted the official as saying.

The media in late January quoted a top Iranian official in a report as saying that the country plans to purchase over 100 planes from Boeing.

The same report said that Iran’s order list from the American aviation giant included narrow-body 737s for domestic flights and two-aisle 777s for long-haul routes.

In January, Iran signed a major deal worth over \$27 billion for the purchase of 118 planes from Airbus. The deal was signed during a landmark trip to Paris by Iran’s President Hassan Rouhani.

Bentrutt added that the company has been talking with “more than” two Iranian carriers, including

flag airline Iran Air, since February after the US government granted limited approval to Boeing to approach the Iranian market.

The approval allows Boeing to advise certain Iranian carriers of the technical capabilities of its aircraft, discuss the airline's fleeting requirements and finalize general terms and conditions necessary to complete a transaction including on pricing, Gulf News added in its report.

However, the plane maker will have to apply to the US Treasury for a second license if it wants to complete any sale in what is seen as one of the last major untapped markets for new jets. Bentrrott declined to say when Boeing could apply for the sale license. "We just have to make sure we follow all the appropriate guidelines," he said.

Even if they receive that license, the plane maker is likely to face other obstacles to completing a deal. Boeing, and its rival Airbus, price their aircraft in the dollar. This is an issue for the plane makers because the US has so far continued to block Iran from accessing its financial systems and access to the dollar, Gulf News added.

"We're going to have to figure out a way collectively for them to be able to finance the assets," Bentrrott said. "It's no different for us that it is for Airbus."

Asked if Boeing could sell its aircraft to Iranian airlines in an alternative currency such as the euro, Bentrrott said "there is a number of different options that could be explored."

Iran saw a series of draconian economic sanctions lifted in mid-January when a nuclear deal that it had sealed with the P5+1 – the five permanent members of the Security Council plus Germany – was eventually implemented.

Nevertheless, the American banks are still banned from dealing with Iran as part of an old US trade embargo that still remains in place. Accordingly, this is believed to have already effectively blocked any transactions with Iran which is based on US dollars because they would ultimately have to be cleared in the US.

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