

Trump called Boeing CEO ahead of MAX shutdown: source

December 19 2019



The head of Boeing spoke with President Trump ahead of a decision to halt production on the 737 MAX

President Donald Trump phoned the head of Boeing ahead of the company's announcement on Monday that it was halting production of

the 737 MAX, a person familiar with the matter said Thursday.

Meanwhile, the company was hit by two downgrades to its debt rating, including by S&P on Thursday, amid the drawn-out process for returning the once popular aircraft to the skies.

The MAX has been grounded since mid-March following two deadly crashes that together killed 346 people.

Trump called Boeing Chief Executive Dennis Muilenburg on Sunday for details about the MAX production plans, the person said, confirming reports in US media.

Muilenburg assured Trump that the company's plan to halt output on the troubled plane would not result in layoffs, the person told AFP.

Boeing announced Monday that it was shutting down production for an unspecified time, saying the move was necessary because the [regulatory process](#) to recertify the plane was taking longer than expected.

That has hampered the ability to safely deliver some 400 planes built and stored since the regulators grounded the popular aircraft.

The MAX crisis is expected to hit Boeing's earnings for the next couple of years and economists say the temporary halt to production will constrain US [economic growth](#) through at least the first quarter of 2020 because of the damage done to exports and suppliers.

S&P Global Ratings on Thursday cut Boeing's credit grade a notch to "A-" and warned the rating could go lower "depending on if Boeing resumes production and deliveries of the MAX without significant damage to its competitive position."

But the agency warned that "the longer production is halted, the more likely that some, especially smaller suppliers, could run into liquidity problems," which in turn could hinder Boeing's ability to ramp up production once again.

"Stopping and restarting could be costly and difficult."

Moody's also cut the manufacturer's debt [rating](#) by one notch late Wednesday.

Moody's analyst Jonathan Root cited "the uncertainty and elevated risk—both financial and operational—for Boeing and its broader supply chain over the ensuing period."

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