

Avolon cancels order for 75 Boeing 737 MAX planes

April 3 2020



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Irish aircraft leasing company Avolon said Friday it was canceling an order for 75 737 MAX planes due to the massive deterioration in travel because of COVID-19.

The planes being canceled had been scheduled for delivery in the 2020-2023 timeframe. Avolon also pushed back delivery of 16 other 737 MAX planes to 2024 or later and also annulled a plan to buy four Airbus A330neo aircraft.

"We are currently facing the most challenging period in the history of commercial aviation," said Avolon Chief Executive Domhnal Slattery.

"The global fleet has been effectively grounded as countries work hard to slow the spread of COVID-19."

The International Air Transport Association has estimated that global airlines would see a drop of \$252 billion in revenues in 2020 under a scenario in which severe travel restrictions last for three months.

Avolon's announcement is the latest bit of bad news for Boeing, which prior to the coronavirus shutdowns was already dealing with the crisis over the grounding of the 737 MAX due to two [deadly crashes](#).

On Thursday, the Chicago-based firm unveiled a voluntary worker layoff program that a company official said will result in the departure of several thousand employees.

A Boeing spokesman said Avolon's announcement reflected a "mutual agreement" in light of the MAX grounding and the deterioration in the outlook for commercial flying.

"As we have produced fewer MAX airplanes than planned, we have implemented these adjustments to regain flexibility in managing the more than 4,300 unfilled 737 MAX orders," the Boeing spokesman said.

"This is also the right step to align to the realities of the marketplace as we balance supply and demand and protect the 737 MAX's underlying value, especially in the leasing sector."

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Citation: Avolon cancels order for 75 Boeing 737 MAX planes (2020, April 3) retrieved 28 September 2023 from

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