

Boeing goes another month without a single airliner order

May 12 2020, by David Koenig



In this April 7, 2020, file photo, U.S. Air Force KC-46 tankers being built by Boeing sit parked at the Paine Field airport in Everett, Wash. Boeing failed to sell a single commercial airplane but saw orders for 108 planes canceled in April as a sharp drop in air travel erased any demand among airlines for new jetliners. It marked the second month this year in which Boeing received no orders, a fate that would have seemed impossible not long ago. (AP Photo/Ted S. Warren, File)

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Boeing also indicated Tuesday that it is no longer certain about completing orders for another 101 planes and dropped them from its backlog, which dropped below 5,000 for the first time since 2013.

Airbus said it received orders for nine planes in April, bringing its 2020 total to 299 planes after cancellations. The European plane maker said its backlog was 7,645 jets.

The COVID-19 outbreak has caused global air traffic to plummet and compounded a crisis at Boeing Co. that began with two fatal crashes and the grounding of its best-selling plane, the 737 Max.

Airlines are bleeding money and canceling thousands of flights while passengers remain too scared to fly. Airlines have grounded 16,000 planes—nearly two-thirds of the world's fleet—and they are delaying deliveries of jets that they agreed to buy before the pandemic.

Air travel in the U.S. is down more than 90% from a year ago, and global traffic has seen a similar plunge.

Boeing CEO David Calhoun said air travel will recover so slowly that "most likely" one of the major U.S. airlines will go out of business.

"Something will happen when September comes around," he said on NBC's "Today" show. "Traffic levels will not be back to 100%, they won't even be back to 25(%). Maybe by the end of the year we approach

50(%)."

Boeing delivered just six airliners in April, bringing its 2020 total to 56 jets. The slow pace of deliveries is undercutting Boeing's cash flow because airlines pay a chunk of the plane's price upon delivery. Airbus delivered 14 jets last month.

General Electric's airplane-leasing division canceled orders for 69 Boeing Max jets, and China Development Bank dropped orders for 29 of the planes. Cai von Rumohr, an aerospace analyst for financial-service firm Cowen, said more cancellations are likely in the coming months.

Boeing has not yet received approval from regulators for fixes it is making to software and computers on the Max. The company has said it expects to resume Max deliveries in the July-through-September quarter.

Boeing shares fell 2.9%, slightly more than market indexes, to close at \$125.22. They have tumbled 62% this year, in line with airline stocks.

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