

United Airlines said to be near new Boeing, Airbus orders

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Aviation experts expect United Airlines to announce major new plane orders as soon as Tuesday.



United Airlines has scheduled of two public events for Tuesday raising expectations it will announce orders for more than 200 new Airbus and Boeing planes, an aviation industry expert said on Monday.

The big carrier invited reporters to Newark Airport to join Chief Executive Scott Kirby on Tuesday morning for an event focused on "the future of our airline," according to an invitation sent last week.

The company also is hosting an investor event on its website Tuesday.

"They could announce an order of 200 to 300 planes," said Michel Merluzeau, analyst at AIR, an industry consultancy, who expects an agreement to include the Boeing 737 MAX and 787, and the Airbus A321neo.

United, Boeing and Airbus all declined comment.

"It's clear that United needs to refresh many planes, especially the older A320s," Merluzeau told AFP.

The United events Tuesday come as US carriers finally are beginning to see signs of a strong turnaround after the coronavirus shut down travel and devastated the industry for more than a year.

Still United and other major carriers are expected to report another quarterly loss for the April-June period.

Richard Aboulafia, an aviation expert at Teal Group, said purchases of the A321 and the 737 MAX—both single-aisle planes—would make sense for the airline in the <u>current market</u>.

"The domestic markets are coming back pretty fast and <u>fuel prices</u> are coming back fast too," Aboulafia said.



Airlines must make long-term bets to remain competitive, even if current market conditions still present significant problems, Aboulafia said, adding that current low interest rates also encourage making purchases now.

"The mix of cheap cash and expensive fuel, that makes for good orders," he said.

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