

Boeing seals deals with Qatar Airways, launches new cargo plane

January 31 2022, by Sebastian Smith With John Biers In New York



Stan Deal, President and CEO of Boeing Commercial Airplanes (left), and Akbar Al Baker, Group Chief Executive Officer of Qatar Airways (right), signed a major aircraft purchase deal on January 31, 2022 in Washington.

Boeing launched a new freighter jet Monday while announcing a pair of

major agreements with Qatar Airways, in a boost to the still-struggling US aviation giant.

The deal with the Middle Eastern carrier was unveiled at a White House ceremony attended by top US and Qatari officials, and includes the sale of 34 777X freighters, plus options for 16 more planes in the latest incarnation of Boeing's storied dual-aisle 777 line.

Boeing said the \$20 billion value of the Qatar Airways deal constitutes the largest freighter commitment in Boeing history.

The airline also reached an agreement worth nearly \$7 billion for a firm order of 25 737 MAX planes plus purchase rights for another 25 planes, Boeing said.

The agreements gives a lift to Boeing, which continues to struggle with quality control problems as commercial aviation experiences a mixed recovery from the depths of the coronavirus downturn.

The announcements show that Boeing "serves a global need that in a post-Covid world will be coming back, and coming back in a significant way," Boeing Chief Executive David Calhoun said at the signing.

For Qatar Airways, the deals with Boeing follow an unusual public fight with European plane maker Airbus.

Earlier this month, Airbus canceled the carrier's multi-billion-dollar order of 50 new single-aisle planes in an escalating feud over Qatar Airways' decision to ground its A350 widebody aircraft.

"Today marks a great day in the ever-building and strong relationship between Qatar Airways and Boeing," said Qatar Airways Chief Executive Akbar Al Baker.

"We certainly push Boeing hard to deliver upon our expectations, and the team at Boeing consistently strives to meet and exceed our expectations, giving the opportunity for us to be here today to launch the most significant new freighter aircraft for a generation."

The signing ceremony came as Qatar's Sheikh Tamim bin Hamad al-Thani visited the White House, where President Joe Biden was expected to shore up the energy back-up for European allies as Washington pressures Russia over the Ukraine crisis.

Qatar is a major natural gas exporter.

Hot cargo market

Boeing last week reported a \$4.1 billion quarterly loss connected to problems with its 787 Dreamliner plane that resulted in \$3.8 billion in one-time expenses. The company has suspended deliveries on the model due to a series of production problems.

The 787's woes have dampened Boeing's comeback despite a surge in deliveries of the MAX last year, which was cleared for service in late 2020 following a 20-month grounding after two fatal crashes.

On the 777X, Boeing had initially launched the program in 2013 with a plan to bring the jet into service in 2020. But the timeframe has been repeatedly pushed back. Boeing now expects the first jets for commercial service to be delivered in 2023.

The 777x cargo planes jets connected to Monday's Qatar Airways deal will be delivered starting in 2027, Boeing said.

Richard Aboulafia, an aviation expert at AeroDynamic Advisory, said cargo demand "is about the only bright spot" in the dual-aisle plane

market, where activity has remained more depressed compared with single-aisle plains.

The 777X jets will be assembled at Boeing's Everett, Washington complex and will employ engines produced by General Electric, which will also be assembled in the United States, US Commerce Secretary Gina Raimondo said.

She described the agreement as testament to "the thriving trade relationship between the United States and Qatar."

Boeing said the 777X Freighter order will sustain 35,000 US jobs and bolster suppliers across 38 states.

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