

United orders 25 more Boeing 737 MAX planes in sign of confidence

1 March 2021



United will purchase 25 more Boeing 737 MAX jets in a boost for the MAX plane after a lengthy grounding

United Airlines reached an agreement to purchase 25 more Boeing 737 MAX aircraft for delivery in 2023, the carrier said Monday, in a sign of an expected post-coronavirus travel industry recovery.

The contract brings United's total order book on the MAX to 188 and also represents a vote of confidence in the jet, which was grounded for 20 months following two [fatal crashes](#), but cleared by regulators to resume service late last year.

United also plans to move up deliveries of 40 previously ordered MAX planes to 2022 and five others to 2023, the company said a securities filing.

The contracts come amid a prolonged industry downturn during COVID-19 restrictions.

Passenger volumes are still under 50 percent from year-ago levels, according to government statistics. That marks a big improvement from the worst days of the pandemic, but carriers are still

burning cash.

Both United and American Airlines have notified thousands of employees of possible layoffs at the end of March when federal payroll support funding from Congress runs out.

United is advocating in Washington for additional federal funding to sustain the jobs, said Chief Operating Officer Andrew Nocella in a note to employees announcing the MAX orders.

"We need to make aircraft orders more than a year in advance of taking delivery," Nocella said. "And as the end of the pandemic nears and vaccines continue to roll out, today's fleet announcement helps position us to meet the demand we expect to see in 2022 and 2023 and puts us on a path toward more opportunities for our employees in the future."

"Choosing the right investment opportunities at the right time helps us secure that brighter future and is a down payment on our future success," Nocella added.

Shares of United surged 5.3 percent to \$55.44 in early trading, while Boeing surged 6.9 percent to \$226.48.

© 2021 AFP

APA citation: United orders 25 more Boeing 737 MAX planes in sign of confidence (2021, March 1) retrieved 29 November 2021 from <https://techxplore.com/news/2021-03-boeing-max-planes-confidence.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.