



UNITED AIRLINES JUST DELIVERED SOME TERRIBLE NEWS TO CANADA'S LARGEST AIRPLANE MAKER

News / Airlines



United Airlines just delivered some bad news to Bombardier as the airplane maker seeks to dig itself out of a financial hole.

The aviation giant had been in talks with United Airlines about a 40-aircraft order for its widely praised, but slow selling, C-Series airliner.

Unfortunately for Bombardier, United announced with its latest earnings report that the airline has decided to go with Boeing's 737-700.

Industry sources told Reuters earlier this month that Boeing's ability to offer a slightly larger aircraft and greater discounts gave it the edge over Bombardier.

According to United, the 40 aircraft in the order will be used by the airline to takeover routes

currently operated by the company's regional partners.

Bombardier, which recently filed a request for further financial assistance from the Canadian government, is in desperate need for a headline-grabbing deal with a major airline to inject some new life into the C-Series project.

The Canadian airplane maker has been fighting to recover from a tough 2015 in which the company was forced to write down \$4.4 billion and take a \$1.3 billion bailout.

One of the linchpins to Bombardier's turnaround strategy is to revive sales of the C-Series. The company has gone more than a year without registering a new order for its flagship product.

The United deal, valued at \$3.2 billion based on catalog prices, would have given the C-Series program a much needed boost.

Though the C-Series is expected to enter service later this year with Swiss Global Air Lines, Bombardier still does not have an order from a major North American carrier. But not all hope is lost: Delta CEO Richard Anderson told reporters this week at the airline's investors call that it is "taking a serious look" at the C-Series.

United Airlines will begin to take delivery of the Boeing 737s in mid-2017.

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