



BOEING CONFIRMS SIGNING JETLINER SALE MEMO WITH IRAN AIR

News / Airlines, Manufacturer



Boeing Co. signed an agreement to sell jetliners to Iran Air, the company said on Tuesday, confirming Iranian statements and briefly sending its shares up sharply in early trading.

The historic deal to sell 100 jetliners to the airline, Boeing's first sale to Iran since its Islamic Revolution in 1979, resulted from the nuclear accord reached with that country last year.

The agreement brings more work to Boeing's factories in Washington state and South Carolina, and helps the aerospace and defense company catch up with a \$27 billion, 118-plane order Iran placed with Airbus in January.

Boeing said in a statement that it had signed a memorandum of understanding with state carrier Iran Air "expressing the airline's intent to purchase Boeing commercial passenger airplanes."

The Chicago-based company declined to discuss the number or type of planes it would sell, or the timetable for delivery of the aircraft.

But the head of Iran's Civil Aviation Organization, Ali Abedzadeh, told the state-run daily newspaper Iran on Friday that the signed deal was for 100 Boeing aircraft.

Such an order would be worth about \$11 billion at list prices if Iran Air bought only Boeing 737 single-aisle jetliners, and perhaps twice that much if it included a significant number of twin-aisle planes such as the 777 or 787 Dreamliner.

A large order was expected, but the sale raised concerns among some Congress members, who feared it could threaten U.S. national security.

Boeing's statement said the talks that led to the memorandum of understanding were conducted "under authorizations from the U.S. government following a determination that Iran had met its obligations under the nuclear accord reached last summer."

Boeing said it would "continue to follow the lead of the U.S. government with regards to working with Iran's airlines."

It added that "any and all contracts with Iran's airlines will be contingent upon U.S. government approval."

U.S. Representative Rick Larsen, a Washington state Democrat who has Boeing's biggest factory in his district, pledged to keep an eye on the deal's ramifications.

"In the coming days the U.S. government will be taking a hard look at the specifics of the deal to ensure it is consistent with both U.S. interests and those of our international allies, and I'll be tracking those developments closely," he said in a statement.

Abedzadeh's statement in the newspaper on Friday confirmed a Reuters report on June 6 that Iran was close to a deal to buy more than 100 jetliners from the Chicago-based aircraft maker.

Boeing shares were down 0.78 percent at \$131.72 in early afternoon trading on the New York Stock Exchange on Tuesday. Earlier in the day, the stock climbed to \$133.18 from a low of \$132.25.

Separately, Bloomberg reported that Russian cargo carrier Volga-Dneper had placed more than 10 firm orders for Boeing 747 freighters. Boeing did not immediately respond to requests for comment.

22 JUNE 2016

ARTICLE LINK:

<https://connect.50skyshades.com/news/manufacturer/boeing-confirms-signing-jetliner-sale-memo-with-iran-air>