

Boeing Further Postpones Recertification of 737 MAX

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On January 21, Boeing announced further delays regarding the recertification of the ill-fated Boeing 737 MAX series after two fatal crashes resulting in a worldwide grounding of the jet in March 2019. This was due to faulty software called MCAS (Maneuvering Characteristics Augmentation System). "We are informing our customers and suppliers that we are currently estimating that the ungrounding of the 737 MAX will begin during mid-2020," the U.S. manufacturer stated. This is the best possible estimate given the current procedure for

recertification of the aircraft.

Earlier in the day, U.S. media had reported that the U.S. aviation group did not expect the series to be approved again before June or July. The manufacturer had expected to start production again a few months earlier. As a result of the news, the Boeing share price plummeted, and shares were temporarily removed from trading. Boeing plans to provide more information in its quarterly report next week.

The FAA announced in a statement that Boeing's 737 MAX had to meet the "highest certification standards" in order to be approved again. The authority cooperates with other international regulators in the review process. "We have no schedule for when this work will be completed," the FAA said.

Last week, Boeing discovered a new software problem with the aircraft type. "Necessary updates" and changes are currently being made, the group announced on Friday. Both the U.S. air traffic control agency FFA, customers, and suppliers have been informed of this. Safety and compliance with official requirements were "top priority" before the machine type could go into operation again.

After doubling its current bank credit lines to \$9.5 billion in December, Boeing is now borrowing another \$10 billion from Citibank. Analysts expect \$8 to \$11.7 billion in payments to customers. As Boeing now recommends simulator training for all 737 MAX pilots, Bloomberg expert George Ferguson expects an additional \$5 billion in expenditures. In addition, Boeing has to face billions in fines for possible violations of the rules when approving the 737 MAX.