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

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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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