



## Bombardier, Inc.: There Aren't Enough Pilots to Fly the CSeries

### Description

There are a lot of factors working against **Bombardier, Inc.** ([TSX:BBD.B](#)) and its CSeries jets. But there's another factor that's getting less attention: a worldwide pilot shortage. We take a closer look below.

#### Why there aren't enough pilots

There are a number of reasons why the world is short of pilots.

First of all, demand for pilots is skyrocketing, particularly in the Asia Pacific region. According to a 2015 report from **Boeing Co.** ([NYSE:BA](#)), the Asia Pacific region will require 226,000 new pilots over the next 20 years—more than Europe and North America combined. For this reason, Asian airlines are poaching pilots from North American airlines. They have even been hosting job fairs in the United States, promising salaries of US\$200,000 per year.

At the same time, the baby boomer generation is retiring. In fact, many of these pilots would have retired even earlier, but the Federal Aviation Authority (FAA) increased the pilot retirement age from 60 to 65 back in 2007. Of course, the move only delayed the inevitable.

If that wasn't enough, the FAA has also increased the required training requirements for new pilots.

#### How this impacts the CSeries

Because of the pilot shortage, it makes sense for airlines to choose larger aircraft. That way each pilot can fly more people.

Of course, this is a big disadvantage for the CSeries, which is a relatively small single-aisle airplane. To put this in perspective, the CS100 seats just 108 passengers or up to 130 at maximum capacity. The larger CS300 is designed for 130 passengers but can seat up to 160.

This puts the CSeries in direct competition with the Airbus A319neo, which seats 140-160 passengers. Meanwhile, the Boeing 737 MAX 7 offers seating capacity of 126-140 passengers. But here's the

problem: Airbus and Boeing have had trouble selling these smaller planes as well.

The Airbus A319neo has so far garnered only 50 firm orders, most of which came from just two customers. By comparison, the A320neo, which seats up to 189 passengers, has won 3,344 firm orders. And the A321neo, which seats up to 240 passengers, has won over 1,000.

It's a similar story with Boeing. The 737 MAX 7 has gained only 60 orders thus far from just three different customers and only five since the beginning of 2014. Meanwhile, the 737 MAX 8, which seats up to 175 passengers, has won nearly 1,700.

This spells real trouble for the CSeries, and it's something that Justin Trudeau must consider as he decides what to do with Bombardier. And shareholders shouldn't be expecting any quick results.

## CATEGORY

1. Investing

## POST TAG

1. Editor's Choice

## TICKERS GLOBAL

1. NYSE:BA (The Boeing Company)
2. TSX:BBD.B (Bombardier)

## Category

1. Investing

## Tags

1. Editor's Choice

## Date

2025/07/21

## Date Created

2016/03/14

## Author

bensinclair

default watermark