



The CSeries Trade Dispute Is Finally Over!

Description

Last week, I'd [mentioned](#) that the U.S. International Trade Commission (ITC) was set to provide a ruling in the long-standing CSeries dispute between **Bombardier, Inc.** ([TSX:BBD.B](#)) and **Boeing Co.** ([NYSE:BA](#)).

That ruling is finally in, and the ITC has unanimously sided with Bombardier.

An earlier ruling from the U.S. Department of Commerce had imposed tariffs of nearly 300% on the CSeries. The ITC ruling ultimately decided that there was no harm caused to Boeing by the CSeries entering the market. Boeing does not even offer a plane that competes in the same 100-150 passenger segment as the CSeries. The closest offering from Boeing is the 737 Max, which typically serves 160 or more passengers.

What this victory means for Bombardier

This ruling is a huge victory for Bombardier, which is just the latest in a series of battles, delays, and overruns which have plagued the CSeries project over the past few years. Bombardier can now get down to the business of manufacturing the CSeries and making good on its current order book, which includes a large CSeries order from **Delta Air Lines Inc.**

Bombardier has noted in the past that the company was speaking with several other U.S.-based airlines looking to order the CSeries, but those discussions were abruptly halted shortly after Boeing filed its initial complaint. Now that the dispute is over, renewed interest in the CSeries is likely to result in additional orders for the revolutionary new jet.

Last year, European aerospace behemoth Airbus assumed a [majority stake in the CSeries](#) project, which, among other things, opened Airbus's Alabama facility to produce U.S.-destined CSeries jets.

Additionally, Airbus hasn't been coy about the long-term potential of the CSeries, noting thousands of potential sales over the course of the next few years.

What this means for the aerospace industry

The CSeries is a new breed of aircraft operating in a massively underserved segment of the market. The plane is lighter, more efficient, and quieter than comparably sized planes on the market, and the small footprint of the aircraft means the CSeries can operate in smaller regional airports as well as larger international ones and still be cost effective.

The favourable outcome by the Commission also means that countless jobs are spared, both in the U.S. and Canada as well as in the United Kingdom, where some CSeries wing components are manufactured at a Bombardier facility in Northern Ireland.

Is Bombardier a sound investment option?

Throughout the entire CSeries program, Bombardier has always shown potential, but it has always lacked that one thing that would make it a promising investment. Initially, the CSeries was seen as having incredible potential, but cost and time overruns placed the project in doubt. When finally completed, mounting concerns over delays in certifying the CSeries cast a shadow over investors. Once the CSeries gained its certification, concerns over the lack of orders weighed in. When Bombardier managed to get the orders it needed, the Boeing dispute and manufacturing concerns were raised.

With the Boeing dispute now over, and Bombardier utilizing the facilities and marketing expertise of Airbus, Bombardier is finally able to advance the CSeries and become a viable investment opportunity.

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