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## **TRUMP IMMIGRATION BAN PUTS \$20 BILLION IN BOEING AIRCRAFT SALES TO IRAN, IRAQ AT RISK**

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01.02.2017

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CNBC, 31 Jan 2017

Around \$20 billion worth of Boeing commercial aircraft orders to foreign countries could be at risk due to President Donald Trump's immigration action targeting countries such as Iran and Iraq.

"We think the president's travel ban could have negative implications for orders from Iran and Iraq," said James Corridore, an aerospace analyst at CFRA Research. "We see these contracts as vulnerable to cancellation, though we also think it possible that the current injunction against the travel ban will be upheld, which could lessen the impact."

In announcing the Boeing deal on Dec. 11, Boeing said the new orders will support nearly 100,000 new jobs. Boeing is in the midst of cost-cutting in its commercial aircraft division and is facing tough competition from Airbus.

In December, Boeing announced a \$16.6 billion agreement for the state-owned Iran Air to buy 50 of its narrow-body 737 passenger jets and 30 of the wide-body 777 aircraft. Separately, Iraq has firm orders to buy 10 of Boeing's 787 Dreamliner wide-body aircraft and another 18 of the 737s. Corridore noted that list prices value the combined contracts at about \$20 billion.

That said, the analyst believes "Boeing's order book is strong enough to withstand potential cancellations."

Then again, there's also a risk that President Trump's tough talk on China trade could threaten aircraft sales to the communist nation and result in sales going to Airbus.

Boeing CEO Dennis Muilenburg was asked last week on the aerospace and defense giant's earnings call about trade tensions rising with China and responded that "it's really important for all of us to understand that healthy trade relationships between the U.S. and China are important. I'm very confident that the incoming administration understands that."

Shares of Boeing were recently down about 2 percent in intraday trading. The drop comes as the broader market also is lower Monday.