

Boeing says 737 production woes will last through year's end

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Boeing says it is doing all it can to help suppliers get on top of the 737 backlog

US aerospace giant Boeing on Wednesday admitted supply chain hold-ups would affect production of its bestselling 737 jetliner until the end of the year, and could hamper third-quarter deliveries.

The delays are primarily due to issues with fuselage and engine manufacturers, chief financial officer Greg Smith told the Jefferies Global Industrials Conference.

"You saw some of that making its way into 2Q deliveries a little bit, and you'll see more of that in Q3 where we'll expect to have deliveries lower than our production rate," said Smith, adding there would be a "much more heavily weighted" fourth quarter.

Like rival Airbus, Boeing is paying the price of a rapid increase in production, as suppliers struggle to keep up.

"When you're at 52 a month, the day matters, an hour matters, two hours [matter](#)," Smith said.

But he insisted Boeing is doing all it can to help suppliers get on top of the backlog.

"We're working with (the suppliers), putting resources... particularly into Spirit," he said, referring to Spirit AeroSystems, which produces structural frames.

Also facing difficulties, according to Boeing, is CFM International—a joint venture between General Electric and France's Safran—which produces the new-generation LEAP engine powering the 737.

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