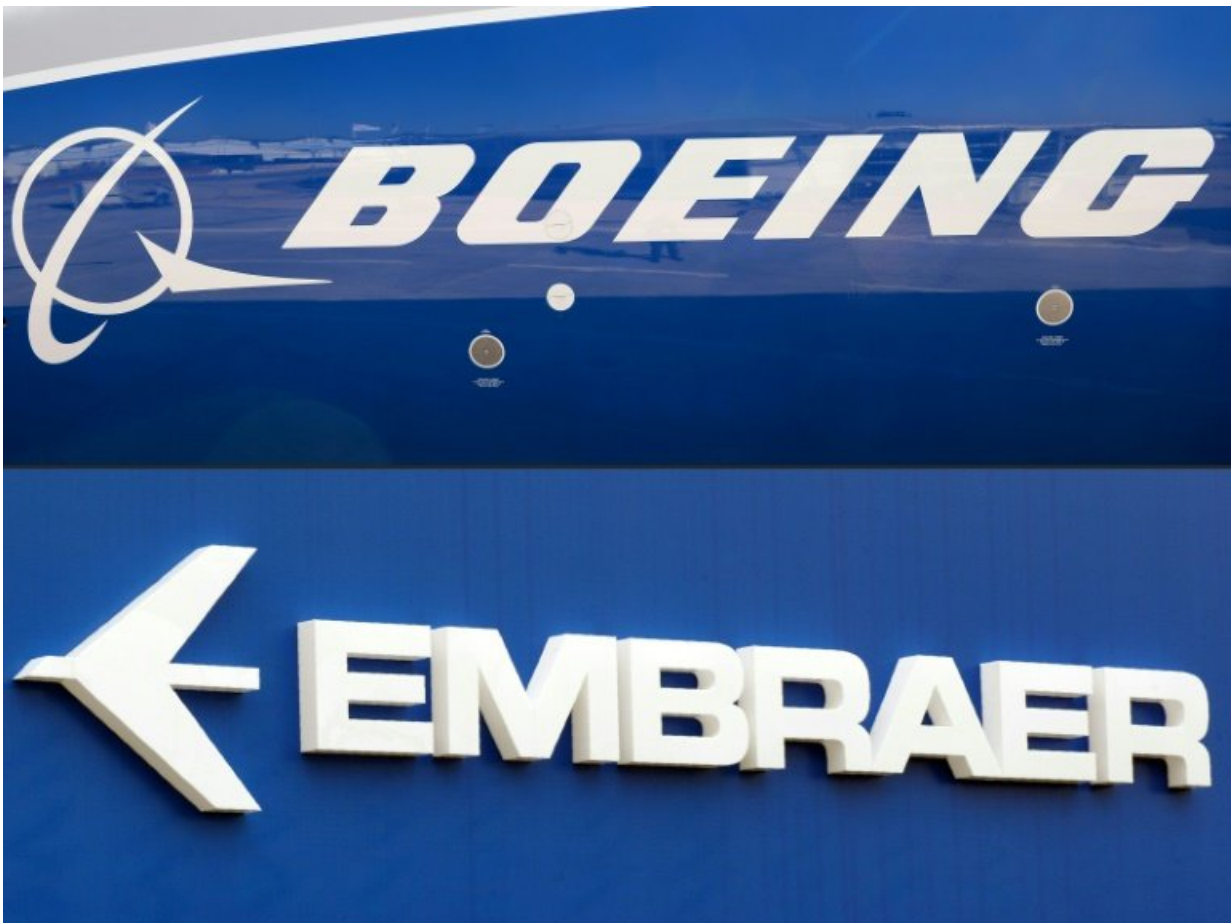


Brazil court overturns suspension of Boeing-Embraer tie-up

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Boeing and Embraer have proposed a tie-up that would give the US aerospace giant an 80 percent stake in the Brazilian company's commercial aviation business

An appeals court in Brazil on Monday overturned an order blocking a proposed \$4.75 billion tie-up between US aerospace giant Boeing and the civilian business of Brazilian plane-maker Embraer.

The ruling superseded a lower federal court decision in Sao Paulo last week that prevented the outgoing [government](#) taking any "concrete acts" on the deal, leaving it for incoming president Jair Bolsonaro administration, which takes office January 1.

Appeals court judge Luiz Alberto de Souza Ribeiro said the lower court's order was "hasty and unfounded," and the public interest had not been shown to be at risk.

Boeing and Embraer had announced their deal in July this year, under the government of outgoing center-right President Michel Temer. It was expected to be finalized by the end of 2019, the companies said.

Under its terms, Boeing is to take an 80 percent stake in the Brazilian company's commercial business, thus allowing Boeing to offer planes with capacity of up to 150 seats—a market in which it currently does not compete.

Embraer's military aircraft business was excluded to overcome Brazilian government opposition to giving up a national champion to a foreign entity.

The agreement was seen as a response to a similar strategic partnership announced in October 2017 between Boeing's European arch-rival Airbus and Canada's Bombardier.

The American firm will have operational and management control over the new venture, which will be led by a Brazil-based chief who will report to Boeing chief executive Dennis Muilenburg, the companies said

in July.

The companies are creating another [joint venture](#) to promote their defense products and services, especially Embraer's KC 390, a military transport aircraft vehicle.

Embraer, the third-largest aircraft manufacturer in the world, was founded as a state group in 1969 before being privatized in 1994, although the Brazilian government retains a "golden share" giving it the right to make strategic decisions for the [company](#).

Bolsonaro, a far-right politician with close ties to the military, had a long record as a nationalist and protectionist when it came to Brazil's economy.

But he changed tack to win over voters and investors in the run-up to his November election by advocating privatizations.

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