

Embraer signs agreement to sell commercial division to Boeing

January 25 2019



The deal will see Boeing take 80 percent of the civilian business of Embraer, which is the third-biggest plane maker in the world

Brazilian aircraft manufacturer Embraer on Thursday signed an agreement for the sale of its commercial division to Boeing—and set the date for a shareholders meeting to approve the tie-up on February 26.

Despite initial reservations, Brazil's President Jair Bolsonaro already gave the [deal](#)—which will create a joint entity valued at \$5.2 billion—his approval earlier this month.

Embraer was privatized in 1994, but Brazil's government retained a "golden share" that gave it veto power over [strategic decisions](#).

On top of getting shareholders on board, the agreement must also be approved by regulators, among other things. If all progresses without delay, the companies expect to conclude negotiations by the end of 2019.

Embraer is the third-biggest plane-maker in the world, making aircraft in the civilian and military markets. The latter are exempt from the Boeing tie-up, which was first announced in July.

Under the deal with Boeing, the US company will take 80 percent control of Embraer's civilian business, putting it in a position to offer commercial planes with up to 150 seats.

© 2019 AFP

Citation: Embraer signs agreement to sell commercial division to Boeing (2019, January 25) retrieved 13 June 2024 from <https://phys.org/news/2019-01-embraer-agreement-commercial-division-boeing.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.