

Boeing's 737 Max engine issue a 'short term blip,' analysts say

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Bizspace Spotlight

[Boeing's](#) decision to suspend all 737 Max flight tests due to an engine safety problem is a "short-term blip," and the problem is likely to be fixed quickly, aerospace analysts said.

Boeing (NYSE: BA) stock fell 3 percent on the news Wednesday and closed down 1.25 percent for the day.

[Cai von Rumohr](#), a Cowen and Co. investment analyst who's covered Boeing for years, distributed a brief report to quell his investor-clients' concerns.

"The 737 Max engine issue looks like a very short term blip that should be easily correctable," von Rumohr wrote.

The engine problem that Boeing has cited, von Rumohr wrote, is not a design shortfall but what seems to be "an easily fixable sub-tier supplier component issue."

Aerospace analyst [Saj Ahmad](#), chief analyst with StrategicAero Research of London and Dubai, shared that view, and went a little further.

"The needless hype over Boeing's decision to halt flight testing on the Max overlooks the disaster of the GTF engine that Pratt & Whitney is suffering across the A320neo and [Bombardier](#) C Series fleets," Ahmad said.

A third aerospace analyst, Seattle-based [Michel Merluzeau](#) of AirInsight, urged aerospace observers not to rush to judgment.

"We shouldn't make too much of this (737 Max engine problem) until we know more," Merluzeau said. "What Boeing tells us is that it's a supplier-specific issue. It's not an airplane design issue. Flight test programs have a long history of glitches."

Boeing suspended all Max test flight tests after it was alerted to a potential engine safety issue, but said it still plans to deliver Max jets to its airline customers later this month. Production continues in Renton, where all 737s are made, the company said.

Boeing said its own flight tests had detected no problems with the engines, but its engine manufacturer shared concerns about a potential quality issue with part of its turbine blade discs. All 737 Max engines are made by CFM, a joint venture between General Electric Aviation and French aerospace company Safran.

Ahmad said [Boeing's](#) 737 Max engine issue, not unlike early issues on the 787 Dreamliner engines, "is a simple procedural production anomaly and quality oversight where processes will be reviewed and remedied."

However, unlike Dreamliners, where airline customers have a choice between having Rolls Royce or GE Aviation engines installed on their planes, 737 Max customers have no such option and must take the CFM Leap 1B engine.

Despite Boeing's problems, Ahmad said the new Pratt & Whitney engine being installed on a Boeing rival jet, the Airbus A320s, have had far more serious, sweeping problems and what he described as "un-ending faults."

Ahmad said Qatar Airways has refused to take delivery of A320neo (new engine option) it ordered last year or the A321neo variant this year, until those issues are resolved.