BOEING STUDIES PLAN TO OFFER 737 FREIGHTER CONVERSIONS

News / Manufacturer

Boeing is looking at offering conversions of its most popular passenger jet, the 737-800, into freight haulers in a move aimed at express parcel firms, a senior executive said.

The proposal emerged weeks after rival Airbus relaunched plans to offer conversions of its competing A320, forging a partnership with Singapore's ST Aerospace after an earlier Russian-backed effort stalled on costs and jet values.

Boeing sells three types of dedicated freighter from the mid-sized 767 up to the larger 777 and the 747-8 jumbo. It also offers passenger-to-freight conversions of its mid-sized 767.

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"The next step we are looking at is what we want to do in the single-aisle market, where we see demand for over 1,000 conversions over the next 20 years," Randy Tinseth, vice president of marketing at Boeing Commercial Airplanes, told Reuters in an interview.

"We are looking at potentially pursuing a freighter conversion program for the 737-800. We see potential especially in the express market in the U.S. and China."

Until now, only outside companies have carried out conversions on 737s, as well as some 757s. Israel Aerospace Industries recently launched such work on recent 737s.

Boeing confirmed a report that the first planes under the proposed scheme could go to China.

Cargo Facts magazine reported that Hangzhou YTO Express Airlines was preparing to sign for 15 aircraft.

"Recently, Boeing did receive a commitment from YTO Airlines, which will be fulfilled following the program launch," a spokesman said by email.

"The business case for the 737-800BCF is maturing as planned and we are currently developing our design and production system strategies. We look forward to launching the 737BCF program once we have met our launch criteria."

Boeing is also studying plans to convert its larger 777-200ER into freighters, but these are progressing more slowly. Airbus meanwhile offers A330 conversions.

In total, Boeing sees demand for 1,420 converted freighters and 920 new ones over 20 years.

Efforts by Boeing and Airbus to tap into small freighter demand comes as they prepare to bring out upgraded passenger jets, leaving behind large numbers of existing models at the age and valuations that could make freight conversions attractive.

To work, current planes must be available cheaply enough on the second-hand market, with about 15-20 years on the clock, to cover the cost of conversion and make a profit.

"You have to balance that out to see how it works," Tinseth said.

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