

Airbus, Boeing battle it out for orders

LE BOURGET, FRANCE: Airbus led rival Boeing on Monday (17 June) in the opening battle for orders at the world's biggest air show, where Brazil's Embraer launched its new jets amid a range of different deals.



The key industry event kicked off with a literal bang as thunder and lightning surrounded the skies above Paris, but the two aviation companies quickly caught everyone's attention by announcing orders in quick succession as they continued their traditional fight for supremacy at the show.

By the time the sun had pierced the clouds, finally allowing planes to lift off, Airbus had taken the lead with at least US\$18.3bn in orders compared with US\$6.1bn for Boeing.

The aviation companies are fighting to get an edge in the market for long-haul wide-body planes at this year's show just north of Paris, and Airbus took centre stage with a mammoth provisional order for 20 A380 double-decker superjumbos.

The memorandum of understanding with aircraft financing group Doric is worth about US\$8bn at catalogue prices.

The European manufacturer also said US aircraft leasing group ILFC had ordered an extra 50 of its new A320neo airliners, which are not yet in service, at a catalogue price of US\$5bn.

Airbus orders worth billions

German airline Lufthansa, meanwhile, said it had completed an order announced in March for 100 medium-range Airbus A320 aircraft, worth €10bn at list prices.

This took its total firm orders so far to US\$18.3bn. If the A380 deal is confirmed, as both companies said it would be, total orders come to US\$26.3bn.

The firm has yet to announce new orders for its next-generation A350 long-haul plane, which took off on its first test flight

last week in a move seen as stealing the show from Boeing which has just overcome battery problems with its 787 Dreamliner.

Undeterred, the US firm announced several orders for the 787 Dreamliner, its new 737 MAX and its existing long-haul 777 plane.

The head of Boeing's commercial aviation division Ray Conner had told journalists over the weekend that the US firm had "better products and at the end of the day, hopefully the better product wins."

Japan's Skymark Airlines said it had put down firm orders for four 737 MAX aircraft, becoming the first Japanese airline to set its sights on Boeing's new medium-haul plane, in a deal worth US\$402m at catalogue prices.

Leasing firm GECAS, meanwhile, ordered 10 787 Dreamliners worth US\$2.9bn at list prices, while Qatar Airways announced orders for nine 777s, two firm, and seven options, worth US\$2.8bn.

Overall though, deals are usually concluded at less than the list prices, depending on discounts and tough negotiations over made-to-measure features.

Brazil's Embraer has a new family

Day one of the air show was not all focused on Boeing and Airbus, however.

Brazil plane maker Embraer chose to kick off the event by launching a new family of regional jets with 100 firm orders and 215 intentions to buy the aircrafts.

Baptised the E-Jets E2, the family of three new planes are modernised versions of its current E-Jets and are able to carry more passengers and consume less fuel.

US regional airline SkyWest was by far the largest customer, announcing firm orders of 100 new E175-E2 planes with the intent of buying 100 more in a deal worth US\$9.36bn at catalogue prices.

Analysts said the deal was a good move for the world's third largest plane manufacturer, which has done well despite ups and downs in the regional jet market.

"It's been very well run, is good at accessing global technologies and it's been willing to use specialists from around the world to achieve its needs," said Nick Cunningham, aviation analyst at the London-based Agency Partners.

But the Paris air show, in its 50th year this year, is not just focused on the civilian sector and several military planes such as the long-awaited A400M transport plane and Russia's Su-35 fighter jet took to the skies to woo customers.

The event runs from 17 to 23 June. It is expected to attract some 350 000 visitors.

Source: AFP via I-Net Bridge