

Airbus racks up orders, glitches at Paris Air Show

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A French Rafale-R jet fighter is backdropped by a Boeing 747-8 passenger plane, on the tarmac of the Paris Air Show in le Bourget, east of Paris, Sunday, June 19, 2011. The Paris Air Show will open on June 20 at Le Bourget. (AP Photo/Michel Euler)

(AP) -- Airbus stumbled at the launch of the aviation industry's premier event Monday as its star superjumbo clipped a wing and a gearbox glitch derailed a demonstration flight.

But the European plane maker and chief rival Boeing Co. quickly racked up orders for billions of dollars worth of aircraft at the Paris Air Show, heating up their race for the world's lead in jet sales.

Skyrocketing fuel costs and bleak forecasts for the international air transport market are driving purchases at this year's show. Airlines are

searching for cheaper and cleaner ways to fly, and star displays include biofuel and hybrid engines and a solar plane.

One star, Airbus' superjumbo A380, was grounded after clipping a wing on a taxiway structure, the latest in a string of embarrassments for the company.

The plane suffered damage to its wing tip Sunday after the slow-speed collision with a building at the Le Bourget airport, where the world's largest and oldest aviation showcase is taking place, spokesman Alexander Reinhardt, of Airbus' holding company EADS, said Monday.

Airbus quickly found a replacement jet for demonstration flights during the air show, an A380 operated by Korean Air. But the planemaker is facing other setbacks.

The Airbus A400M military transport plane had to cancel a demonstration flight because of what the manufacturer described as a minor gearbox problem, although the aircraft made a fly-over during President Nicolas Sarkozy's visit to the air show on Monday.

On Saturday, Airbus announced that two of the three versions of its new widebody jet, the A350, would be delayed about two years.

The stretched A350-1000 is being pushed back to 2017 to give engine supplier Rolls Royce time to develop a more powerful motor that will extend the jet's range, Airbus said. The standard version of the plane, the A350-900, is still expected to arrive in the second half of 2013, Airbus said.

Airbus' chief salesman John Leahy defended the delay, saying the revamped 350-1000 would best rival Boeing's 777-300ER by flying 400 nautical miles further while burning 25 percent less fuel.

"Yes we were supposed to come out in 2015, but customers said give us some extra performance and we can take the delay," he said.

Airbus' first big order Monday was from GE Capital Aviation Services, ordering 60 A320neo jets, a version of the workhorse jet revamped to be more fuel efficient.

Airbus has booked 390 orders and commitments for the A320neo since its commercial launch last December - even though it won't come into service until 2015 - from airlines squeezed by higher fuel prices.

Boeing hasn't yet chosen how it will respond, but top marketing executive Randy Tinseth said it would decide in the coming months whether to upgrade its existing 737 model or design a whole new plane, which wouldn't be in the air until the end of the decade.

Qatar Airways announced an order for six Boeing 777 planes in a \$1.7 billion deal at the start of the show Monday.

Airlines in fast-growing Asian and Middle Eastern countries have been ordering hundreds of new aircraft to meet fast-growing air traffic in those regions.

Akbar Al-Baker, CEO of Qatar Airways, said at a news conference with Boeing officials that he regretted hearing of "significant delays" in Airbus' A350 program. Qatar Airways is the launch customer for the A350, and is due to receive the first one in the second half of 2013. Half of the 80 A350s that Qatar Airways has ordered would be affected by the delay.

"This will dent our expansion and fleet placement program," he told reporters. "It is very disappointing to us," he said.

"Also we hope that the performances that they are today talking about is the right information and it will do what Airbus says that the airplane will do," he said.

Boeing and Honeywell are both boasting of having the first biofuel-powered trans-Atlantic flight, with Boeing flying in its 747-8 freighter from Seattle on a mix of biofuel and jet fuel, while Honeywell touts the "green jet fuel" it developed to power a Gulfstream business jet that flew from New Jersey to Le Bourget.

EADS will also demonstrate the world's first diesel-electric hybrid aircraft at the show, another leg in its strategy of cutting its fleet's carbon dioxide emissions by 50 percent by 2050.

Skyrocketing fuel costs are a major issue for Airbus and Boeing customers, who will see their profits plunge to \$4 billion this year from \$18 billion in 2010, according to the IATA forecast released earlier this month.

Given the fierce competition in the market, Sarkozy defended European governments' support for France-based Airbus.

"Aviation is a strategic sector that the state should not lose interest in," he said in opening the show.

Airbus edged out Boeing at last year's Farnborough International Airshow in the U.K., racking up deals totaling \$13.2 billion, while Chicago-based Boeing's commitments came in at \$12.8 billion.

Those results were a big improvement over the results of the last Paris Air Show in 2009, when many airlines closed their checkbooks in the wake of the global financial meltdown.

Going into next week's event, Airbus has taken in 176 gross orders this year, compared to Boeing's 183 gross orders.

Boeing is the world's No. 2 commercial jet maker after Airbus, based on 2010 deliveries. Airbus delivered 510 commercial planes last year, compared with 462 for Boeing.

The International Air Transport Association last month warned that natural disasters in Japan, unrest in the Middle East and rising fuel prices would cause airline industry profits to collapse only a year after they'd begun to recover from the global economic crisis.

More than 2,100 exhibitors from 45 countries have signed up to take part in the weeklong event showcasing both commercial and defense aircraft. Airbus expects to bag bountiful orders for a new, more fuel-efficient version of its workhorse A320 shorthaul jet, while Boeing is spotlighting its new mid-range 787 Dreamliner and 747-8 intercontinental passenger jets.

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