

Green love-in at Paris Air Show but weaker sales

June 18 2015, by Eric Randolph



ATA's Chief Executive, Tony Tyler speaks about an agreement aimed to reduce emissions of greenhouse gases, improve energy consumption and develop biofuels at the Paris Air Show at the Bourget on June 18, 2015

It was a love-in between ministers and industry execs as the Paris Air Show focused on environmental issues Thursday, but it capped a week of lower sales for big hitters Airbus and Boeing.

A mini-conference on the air industry's contribution to tackling climate change at the world's premier air show saw much mutual back-slapping between government ministers, climate scientists and industry honchos—who all share an interest in reducing emissions.

The aerospace sector has made huge strides in [energy efficiency](#) in recent decades—not least because rising fuel prices have created big financial incentives for cleaner technology.

"For aviation, 'business as usual' is improving energy efficiency," said Tony Tyler, head of the International Air Transport Association.

"Those of you who arrived by air, your flights produced half the CO₂ per kilometre than they would have done in 1990."

The venue at Le Bourget just outside Paris will also play host to climate talks later this year aimed at setting a global cap on [greenhouse gas emissions](#).

The air industry is not waiting to be told—it has set its own targets of halving emissions again by 2050 and putting its own carbon-trading system in place by 2020.

All this has helped spur huge investments and innovations in aerospace—manna from heaven for French politicians looking to boost both their green credentials and the struggling economy.

"Ecology is not opposed to growth—quite the contrary," said Environment Minister Segolene Royal, happily noting that her constituency is helping develop Airbus's new all-electric E-Fan plane.



The signing of an agreement by the Air France-KLM Group, Aéroports de Paris, the Group of French Aeronautical and Space Industries and Air France to reduce their emissions of greenhouse gases, improve energy consumption and develop biofuels

'Record years behind us'

Little wonder that the big sellers at this year's air show have been planes promising big fuel savings—led by Boeing's 737MAX and the Airbus A320neo, which offer some 15 to 20 percent in energy savings on previous models.

But the sales war between two companies that dominate the industry was somewhat tamer than previous years.

Boeing confirmed 145 orders worth \$18.6 billion (16.5 billion euros), beating Airbus with 124 orders totalling \$16.3 billion.

That was a long way off the record sums of \$39.3 billion for Airbus and \$38 billion for Boeing achieved at the last edition in 2013.

"With order books full for six to eight years, the record years when companies would get two years' worth of orders each year are behind us," said Massi Begous, an expert at consultancy Roland Berger.

But the industry is hardly struggling—both companies' order books are full into the next decade and demand is expected to top 30,000 planes over the next 20 years as air traffic doubles to over seven billion passengers per year.

Airbus also said it had lined up nearly 300 more orders at the show that it expected to confirm soon, while Boeing says it has another 186 orders in the pipeline.

"I believe that 95 percent, if not 100 percent will translate into firm orders," said Airbus boss Fabrice Bregier.

Analyst Pierre Constant of Ernst and Young said it was no surprise the companies could not match the numbers from 2013.

"Airbus and Boeing didn't present new products this year, so they didn't see the results of two years ago with the record orders for the 737MAX and A320neo," he said.

But there were also fewer planes on display this year, down from 150 to 100 compared with 2013, while several big manufacturers chose to stay away, including Sweden's Saab, UK-based BAE Systems, and the US Northrup Grumman group.

Paris is the oldest and biggest [air show](#) in the world, having first taken place in 1909.

It opens its doors to the public from Friday, when they will get the chance to see some 40 aircraft in flying displays each day, including fighter jets such as Pakistan's JF-17, France's Rafale and Ukraine's Antonov 178.

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