

Saudi, Philippines airlines order Airbus, IAG goes for Boeing

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A strong start at the Paris show for Airbus and its A320neo

Saudi Arabian Airlines, the kingdom's national airline, said Tuesday it had ordered 65 A320neo-type aircraft from Airbus, worth more than \$7.4 billion at list prices, giving an early boost to the European

manufacturer at the Paris Air Show.

The deal is part of Saudi Arabian Airlines' plans to boost its A320neo fleet to up to 100 aircraft from 35 now.

It includes 15 aircraft of the new A321 XLR type, capable of flying distances up to 8,700 kilometres (5,400 miles).

Of the total 65 orders, 35 are still options.

"Passenger demand in the Kingdom of Saudi Arabia is experiencing strong growth on domestic, regional and international routes. The additional aircraft will be deployed to support the national carrier's plan to boost capacity," Airbus said in a statement.

The French aerospace bonanza is traditionally a key theatre for rivals Airbus and Boeing to clock up orders, and this year Boeing entered the race handicapped by the fallout from crashes of two of its 737 MAX aircraft that together killed 346 people.

But in a surprise announcement Tuesday, British Airways owner International Airlines Group said it had signed a letter of intent with Boeing for delivery of 200 planes of the 737 MAX type.

"We have every confidence in Boeing and expect that the aircraft will make a successful return to service in the coming months having received approval from the regulators," IAG CEO Willie Walsh said.



IAG is getting a 'substantial discount' on the 737 MAX model which is in deep trouble after two fatal crashes

IAG said the aircraft would be used by a number of its airlines including Vueling, LEVEL, and British Airways at London Gatwick airport.

Boeing said IAG, whose single-aisle fleet is currently made up almost exclusively of Airbus A320 aircraft, was turning to the 737 MAX "as part of diversifying its future fleet to spur competition".

If Tuesday's deal is converted into a firm order, it would be worth \$24 billion according to list prices, but IAG said it had negotiated "a substantial discount".

Airbus's neo line comprises aircraft with new engines designed to use 15 percent less fuel than the previous generation.

Airbus also signed a letter of intent with low-cost Philippines airline Cebu Pacific to deliver 31 aircraft, of which 16 are A330neos, 10 A321 XLRs and 5 A320neos.

The A321 XLR models are to allow the airline to offer direct flights from the Philippines to India and Australia, Airbus said.

Also at the Paris Air Show, US leasing company Air Lease Corp announced a letter of intent to buy 27 Airbus A321 XLRs, Virgin ordered 14 long-haul aircraft of the A300-900 family and Delta ordered five A220-100s.

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