

Boeing, Airbus Get Competing Multi-Billion Dollar Deals

Jamey Keaten, Associated Press

Qatar Airways orders Boeing planes in \$1.7B deal

LE BOURGET, France (AP) — Boeing Co. announced the first big-ticket order in its rivalry with Airbus at the start of the Paris Air Show on Monday, saying Qatar Airways has ordered six 777 jets in a \$1.7 billion deal.

The upstart, fast-growing Gulf carrier is buying extended versions of the long-range jet, the 777-300, Qatar Airways CEO Akbar al-Baker said during a news conference alongside Boeing's commercial aircraft chief.

The order was the first major purchase announced at the air show, the aviation industry's premier event.

Boeing has now delivered 25 777s to the Qatari flag carrier, and expects to deliver another 15, making the double-aisle plane "the backbone of our long-range aircraft," al-Baker said.

The order comes after Airbus recently announced it has delayed the first delivery of two modified versions of its A350 — a 777 rival — by two years, to 2016 and 2017, so engine supplier Rolls Royce can develop a more powerful motor for an extended-range version.

Qatar Airways is the launch customer and largest single buyer for the A350, and is due to receive the first one in the second half of 2013. Half of the 80 A350s it has ordered would be affected by the delay; the other half is for the 350-900, which is not being delayed.

Al-Baker didn't hide his frustration about the "significant delays" with the A350 program, saying they "will dent our expansion and fleet placement program."

"As a CEO of an airline, it never makes me happy when I know that one of the programs that we were depending upon is getting delayed," he said. "It is very disappointing to us."

Separately, Al-Baker said he hopes to finalize this week an order with Airbus on the A320 neo, a revamped A320 that has been re-engineered to be 15 percent more fuel efficient.

"We are interested in that airplane, but we still have some more work to do," al-Baker said. "It's a very fine airplane."

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Boeing has faced pressure to come up with its response to the A320 neo. Jim Albaugh, CEO of Boeing Commercial Airplanes, said the company will not rush into a decision — expected in the coming months. Boeing is considering whether to re-engine the current 737s, or develop an entirely new plane.

"Now, I know the one that many of you probably came to hear an announcement on today, and are going to be disappointed, is what we are going to do with the small airplanes," said Albaugh. "We have a very deliberate process in determining what we are going to do."

"Our view is that the neo will just provide an airplane as capable as the current (737)NG," he said, referring to the "next generation" variant of the single-aisle 737.

Sweden's SAS orders 30 new Airbus for \$2.8 bln

LE BOURGET, France (AP) — Swedish airline group SAS AB says it has ordered 30 new aircraft from Airbus for around 18 billion kronor (\$2.8 billion) as part of an effort to renew its fleet.

SAS says it placed an order for 30 A320neo Airbus aircraft Monday, including an option to buy an additional 11 airplanes.

It said the estimated value of the order was based on Airbus list prices, before any discounts.

Delivery of the aircraft will start in the second half of 2016 and should be completed during 2019.

The acquisition is part of SAS's move to concentrate its short-and medium distance fleet into two types of aircraft: Airbus A320 and Boeing 737NG.

By replacing its current A320 fleet with the A320neo, SAS says it will cut carbon emissions by around 15 percent.

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