

Qatar Airways, Airbus Talks Stalled

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DUBAI, United Arab Emirates (AP) — Fast-expanding Gulf carrier Qatar Airways stunned the Dubai Airshow with an announcement on Tuesday that talks with Airbus over an expected major plane order have stalled.

The government-backed carrier had been widely expected to place a multibillion-dollar Airbus order that would have likely included the company's new narrow-body A320neo and the double-decker A380.

But Qatar Airways CEO Akbar al-Baker told reporters that negotiations with the European manufacturer have "reached an impasse" and said he was pessimistic that a deal could be completed during the show.

"We thought that we will ... make a very huge announcement today. Unfortunately I feel that Airbus is ... still learning how to make airplanes," al-Baker said when asked about the deal. He declined to elaborate or say which planes had been under discussion.

"That was a statement in very clear English, and you should understand what I mean," he said.

Al-Baker spoke during a press conference to announce a far more modest deal with the Airbus' U.S. rival Boeing Co.

Airbus had planned its own order announcement shortly beforehand — believed to have been organized in coordination with Qatar Airways — but abruptly canceled because it said negotiations with an unnamed customer were ongoing.

The state of negotiations remained fluid into the afternoon. Airbus officials did not immediately comment on Qatar Airways' stance, but said executives would be available to speak during a previously scheduled event later in the day.

Doha-based Qatar Airways' fleet of 101 aircraft is dominated by Airbus planes, though it also has orders or options for nearly 90 Boeing jets.

On Tuesday, Qatar Airways announced plans to buy two more Boeing 777 cargo planes. Those planes sell for just over \$280 million at list prices, though airlines often try to negotiate discounts.

Qatar Airways is increasingly challenging Dubai-based Emirates in the race for long-haul customers that use the Gulf as a transit hub.

Emirates is the Mideast's biggest carrier. It placed a record \$18 billion order for another 50 Boeing 777 planes at the start of the Mideast's main airshow Sunday.

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Airbus did score at least one order Tuesday.

The plane maker said Newport Beach, Calif.-based aircraft leasing company Aviation Capital Group signed a purchase agreement for 30 A320neo planes — the same model Qatar Airways was said to be considering.

The A320neo offers a new engine option and other features designed to use 15 percent less fuel than older models of the single-aisle A320. It is scheduled to enter service in 2015.

Airbus' deal with ACG is worth \$2.7 billion at list prices.

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