Qatar Airways Buys 55 Airbus Planes After Impasse

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DUBAI, United Arab Emirates (AP) — Booming Gulf carrier Qatar Airways agreed to buy at least 55 Airbus planes Tuesday, just hours after its hard-bargaining boss blasted the European planemaker and said the multibillion-dollar talks were at an impasse.

The deal announced by Qatar Airways CEO Akbar al-Baker includes 50 A320neo narrow bodies and five A380 double-decker jumbos with options for more.

Airbus says the package before options is worth $6.4 billion at list prices, but airlines typically negotiate lower prices for large orders. The planemaker left little doubt that was the case with Qatar's order.

"Unfortunately Akbar doesn't pay catalog price," Airbus' chief operating officer, John Leahy, joked after the deal was signed.

He called the agreement, which includes options for Qatar Airways to buy another 30 A320neo planes and three more A380s, "an important, if not the most important" Airbus deal at this week's Dubai Airshow.

As part of the agreement, Qatar Airways will be first in line worldwide for each of the three models in the A320neo series.

The order gave Airbus a trifecta of new deals Tuesday for the A320neo, which has proved to be a hot seller since sales began earlier this year. The plane, due out in 2015, offers new engine options and other features designed to cut noise and use 15 percent less fuel than older models of the widely used A320 series of planes.

Airbus signed a memorandum of understanding — short of a firm order — with U.S. discount carrier Spirit Airlines Inc. for 45 A320neo planes and 30 A320 aircraft.

Airbus' Leahy said that deal is worth $7 billion at list prices with the wingtip configurations that Miramar, Florida-based Spirit requested. He and Spirit President and CEO Ben Baldanza said they hope to firm up the deal by year's end.

Airbus also signed a purchase agreement for 30 A320neo planes with Newport Beach, California-based aircraft leasing company Aviation Capital Group. That deal is worth $2.7 billion at list prices.

Meanwhile, Canada's Bombardier Inc. signed a letter of intent with Turkey's Atlasjet Havacilik A.S. for 10 CS300 jetliners and options for five more. It valued the deal before options at $776 million.

It was Qatar Airways' order, however, that generated the most attention — and drama.

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

The fast-growing airline is increasingly challenging Dubai-based Emirates in the race for long-haul customers using the Gulf as a transit hub. Emirates placed a record $18 billion order for another 50 Boeing 777s shortly after the opening of the Middle East's biggest airshow on Sunday.

Their voracious aircraft appetites and relatively deep pockets give both airlines, along with Abu Dhabi-based rival Etihad Airways, considerable clout in the industry. That allows them to bargain hard on big bulk orders and ensures their concerns are taken seriously in the two major planemakers' boardrooms.

Qatar Airways' Airbus afternoon announcement capped a startling flurry of comments by al-Baker, who earlier in the day said negotiations with the European aircraft maker were stalled after Airbus was forced to abruptly cancel a news conference presumably organized to announce the Qatar deal.

In that earlier session, al-Baker blasted the European manufacturer for "still learning how to make airplanes." He later said he was referring to the A320neo program, but didn't elaborate.

Those comments, made during a news conference to announce a $560 million deal to buy two 777 cargo planes from Airbus' U.S. rival Boeing Co., threw into question the future of the Airbus order, with al-Baker saying he was pessimistic a deal would get done.

Only a few hours later, the deal appeared back on — though al-Baker kept Airbus executives guessing up until the last minute, turning up with his entourage 15 minutes late for the rescheduled news conference.

In the end, Airbus left the deal announcement in the hands of the Qatar Airways boss, just in case.

"Because it might have changed in the last 30 minutes, I'd rather hand it over to Akbar to make the announcement," Airbus' Leahy told a packed room of chuckling journalists.

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