

Emirates reduces A380 order, major blow to Airbus

Airbus has taken a knock with the announcement by Emirates Airline that it will reduce its A380 orderbook from 162 to 123 aircraft.



Airbus A330-900 in Emirates livery

The airline will take delivery of 14 further A380s over the next two years. His Highness Sheikh Ahmed bin Saeed Al Maktoum, chairman and chief executive, Emirates Airline and Group, said: "After many months of discussions, we have come to an agreement with Airbus and Rolls-Royce.

"Emirates has been a staunch supporter of the A380 since its very inception. While we are disappointed to have to give up our order, and sad that the programme could not be sustained, we accept that this is the reality of the situation. The A380 will remain a pillar of our fleet well into the 2030s, and as we have always done."

"As a result of this decision we have no substantial A380 backlog and hence no basis to sustain production, despite all our sales efforts with other airlines in recent years. This leads to the end of A380 deliveries in 2021," said Tom Enders, Airbus chief executive officer. "The consequences of this decision are largely embedded in our 2018 full year results".

New order

Instead Emirates Airline has signed a deal for 40 A330-900 aircraft, and 30 A350-900 aircraft, worth \$ 21.4bn at list prices. On the decision to purchase A330Neos and A350s, Sheikh Ahmed said: "Emirates' fleet strategy to operate a young, modern, and efficient all-wide body fleet remains unchanged. The 40 A330neos and 30 A350s that we are ordering today will complement Emirates' fleet mix, support our network growth, and give us more flexibility to better serve seasonal or opportunistic demand. Both the A330neos and A350s will play an important role in our future fleet and network plans."

The A330neos will be deployed on Emirates' regional destinations, and also enable the airline to serve smaller airports and thereby open new routes and connectivity for its global network. The A350s will supplement Emirates' long-haul operations, providing the carrier with added flexibility in terms of capacity deployment on eight to 12 hour missions from its Dubai hub.

"As much as we regret the airline's position [on the A380], selecting the A330neo and A350 for its future growth is a great endorsement of our very competitive widebody aircraft family," said Guillaume Faury, president of Airbus commercial aircraft and future Airbus CEO. "Going forward, we are fully committed to deliver on the longstanding confidence Emirates is placing in Airbus."

The A380 decision will impact 3,000 to 3,500 positions over the next three years. However, the ongoing A320 ramp-up and the new widebody order from Emirates Airline will create alternative job opportunities.

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