



LAST CALL FOR QUADJETS: WILL BOEING 747 OUTLIVE AIRBUS A380?

News / Manufacturer



UPS' order Thursday for 14 firm and 14 option Boeing 747-8Fs raises an interesting question: as the era of four engine commercial jetliners draws to a close, which of the two last survivors will die first?

Before yesterday, the answer was clear. The real A380 order book (minus the ample number of zombie orders) was in bad shape, but the 747's was worse. Nominally, it was a mere 15 planes (plus two unstated orders for the Air Force's Air Force One presidential transport program), but in reality six were zombie orders (for Transaero and Arik Air).

That left just 11 planes, with production reduced in September to one every other month. In July, Boeing said in a regulatory filing, "It is reasonably possible that we could decide to end production of the 747." But the UPS order will likely boost output, perhaps back to the one per month level.

In 2018 Airbus will reduce production that year to 12 A380s, and all will be for Emirates. That means the last non-Emirates A380 will almost certainly be delivered next year. After that, it's just a question of how long Airbus feels like keeping a one-per-month program going for one customer,

a problem shared by both quadjet manufacturers. In the long run, neither will want to take up all that factory space and other infrastructure just to support this modest level of output.

But the key difference between the two planes is that they are pursuing completely different markets. As a double-deck design, the A380 would not make a good cargo plane, and plans to create a freight version were cancelled years ago. By contrast, the 747-8I passenger version was killed by the 777-9X's launch. The two Air Force One planes will be the last 747-8Is built. For future orders, the 747 is exposed solely to the cargo market.

UPS' order is therefore intriguing. While the air cargo market has been in the doldrums for years, it still offers long-term growth. And as a cargo plane the 747-8F is unmatched in terms of range and payload. There are no new large cargo plane designs on the horizon, and used passenger 747s are aging and might not make for a cost-effective cargo conversion. Military planes are not adaptable for civil cargo use except for a few niche roles.

Purchased new, cargo planes can be operated 35 years or longer. We might see a stream of "final" 747-8F orders arrive as cargo operators take advantage of their last opportunity to order an irreplaceable long-term asset.

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