

PHILIPPINE AIRLINES NEARS 787/A350 CHOICE

News / Airlines



Philippine <u>Airlines</u> (PAL) is on track to make a decision by the end of 2015 regarding whether it will order Boeing 787s or Airbus A350s to replace its A340 fleet.

The airline has received proposals from both manufacturers and is still conducting its evaluation, PAL President Jaime Bautista told Aviation Daily. The management team hopes to make a recommendation to the board within the next few months, and then the board will make the final decision.

PAL may order eight aircraft, Bautista said. These would replace the six A340-300s in the fleet and also provide for some fleet growth. The new aircraft would provide the carrier with the opportunity to fly new nonstop sectors, such as Manila-New York.

The versions being considered by the carrier are the Boeing **787**-9 and the Airbus **A35**0-900. Whichever aircraft type is selected will be configured with less than 300 seats, including economy, premium economy and business class. The A340s currently have a 254-seat, two-class layout.

PAL is due to receive two more leased Boeing 777-300ERs next year, in October and December. However, the carrier will not phase out any of its A340s at that time, according to Bautista. Retirement of those aircraft will probably wait until the 787s or A350s begin arriving.

The additional -300ERs are likely to be the last two of this type received by PAL, as the airline will "concentrate on newer technology" in the future, Bautista said. He noted that 787s and A350s have both greater fuel-efficiency and lower maintenance costs.

PAL is also planning a cabin refurbishment for its Airbus A330-300s, which will give this fleet a consistent premium product. Of the airline's 15 A330s, eight are configured with 368 seats in three classes, and the other seven have 414 seats in just economy and premium economy. The refurbished aircraft will have fewer seats than both current configurations.

New seats and inflight entertainment systems have been ordered, but will take two years to deliver. They will be installed on the A330s during 2017, Bautista said. Aircraft in all-economy configuration will be the first to get the new product.

These changes are the result of a fleet review undertaken after a change in management at the airline last year. One of the carrier's goals is to increase the focus on full-service and premium products in all of its international markets, marking a shift from the previous management team's strategy of having all-economy flights on some routes.

In the narrowbody fleet, PAL has deferred many of its Airbus A321 orders and converted them to A321neos. It was supposed to take delivery of 10 A321s this year, and the same number in 2016, but has deferred five of these aircraft in each year. The A321s are partly for replacement and partly for growth, since two A320s will be phased out this year, and three returned to lessors next year.

PAL now has 30 A321neos on order, including the deferred aircraft. They are due to begin arriving in 2017. Again, these will be mainly for growth, although some will replace lease-returns.

Bautista confirms that PAL is looking to convert some of the A321neo orders to the long range (LR) version. The airline has not yet decided how many of these it would like, but the LRs could comprise about one-third of the A321neo orders, he said.

The extended range of the LRs will open up new options for the narrowbody fleet, Bautista added. For example, some routes, such as New Delhi, do not have enough damage for an A330 but would be within range of the LRs. And some existing A330 services could be replaced with two A321neoLR flights, giving customers more options.

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