



AIRBUS SAID POISED TO WIN DELTA DEAL FOR AT LEAST 30 A321 JETS

News / Airlines, Manufacturer



Airbus Group SE is poised to win an order for at least 30 A321 single-aisle jetliners from Delta Air Lines Inc valued at \$3.5 billion or more at list prices as part of a wider fleet overhaul at the US carrier, according to people familiar with the plan.

Details of the transaction are still being worked out and Atlanta-based Delta needs board approval for the purchase, according to the people, who asked not to be named as the negotiations are private. Delta spokesman Michael Thomas said no decision has been made about a fleet order.

Airbus doesn't comment on discussions with potential customers, spokeswoman Marcella Cortellazzi said.

Delta has already ordered 45 A321s from the European manufacturer in two batches, the last in

June 2014. Airbus also secured a \$14 billion Delta deal for 25 A350-900s and the same number of updated A330neos in late 2014 after winning out in contests with Boeing Co.

The airline, regarded as one of the most influential in the industry, is rebuilding its ageing short-haul fleet as the low oil price spurs earnings to record levels. Canada's Bombardier Inc is also nearing a deal with Delta for 75 smaller C Series jets as part of that renewal, another person has said.

Boeing is contemplating the development of an all-new large single-aisle model as the A321 and updated A321neo — seating between 180 and 240 passengers — win more orders than its largest 737 in a sector that the US plane maker once controlled with the out-of-production 757.

Delta has been in talks with Airbus, Boeing, Bombardier and Brazil's Embraer SA as it explores options for replacing 116 MD-88s with an average age of 25 years, as well as 50-seat jets flown by its regional affiliates.

"Delta's a big enough airline that they could take a little bit from everybody, play the manufacturers off each other," Bloomberg Intelligence analyst George Ferguson said.

17 APRIL 2016

SOURCE: GULFNEWS

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