



# ONE OF BOEING'S MOST IMPORTANT CUSTOMERS JUST SAID SOMETHING VERY TROUBLING

News / Manufacturer



**Norwegian Air is making waves in the airline industry.**

**Recently, Norwegian Air Chief Commercial Officer Thomas Ramdahl told Business Insider in an interview his airline plans to launch \$69 fares on trans-Atlantic flights starting next year.**

**As a long-time Boeing customer, Norwegian selected the new generation 737 MAX 8 to launch the new fare.**

**In fact, the airline, which currently operates a fleet made up exclusively of more than 100 Boeing jets, has 100 of the planes on order.**

**But there's more to this story.**

**Even though the 737 Max has a range of about 4,000 miles, there are routes where Norwegian will need greater range than the plane can deliver but won't require the services of a pricey wide-body jet.**

**In other words, Norwegian is in need of a 'tweener.**

Traditionally, those routes have been the domain of Boeing's 757. However, Boeing discontinued the controversial plane in 2004 and still does not have an aircraft capable of matching its capabilities, although Boeing did tell Business Insider that it is currently studying the possibility of a 757 replacement.

That's where the 30 A321neo LR jets Norwegian ordered from Boeing's arch rival, Airbus, come into play.

"From the figures I've seen so far, the A321neo LR will have longer range than the MAX, so that gives us opportunities in smaller cities where frequency is more important than having a large wide-body jet," Ramdahl said.

While some airlines are holding onto their aging fleets of 757s, Norwegian seems to believe that it may have found a worthy successor for the long-serving jet.

"It's difficult to say yes or no, but I think so," Ramdahl told us when asked if the A321neo LR is a true replacement for the 757. "It's interesting to see if Boeing is coming up with a replacement for the 757 as well, because they'll need to if the LR does what Airbus is saying it will do."

In fact, Ramdahl told us that the A321neo offers 10% to 15% lower costs per seat than a wide-body jet.

Based on Airbus' projected range of more than 4,600 miles, the A321neo LR should be able to match or beat the 757's range, the Norwegian executive told Business Insider. In addition, Norwegian Air's A321's are expected to be equipped with 220 to 230 seats — which is on par with the capacity of the 757-200.

This is potentially distressing news for Boeing.

Even though the segment traditionally occupied by the 757 is not as large as the 737s or as profitable as the large wide-bodies, there is still plenty of demand for airplanes of its type. With the LR outselling its Boeing rival — the 737 MAX 9 — 5 to 1, it looks like Airbus is the only one with a truly competitive product on offer in the segment.

And if a major, long-time customer like Norwegian is willing to defect, then it certainly stacks the deck against Boeing when it comes to drawing customers.

The 737 MAX jets features new fuel-efficient CFM LEAP-1B engines, upgraded avionics, and aerodynamics. It's one of the most advanced and efficient airliners in the world. The A321neo LR also features upgraded avionics and aerodynamics but is equipped with a more powerful CFM LEAP-1A engine.

However, Boeing is not in a position to simply bolt on larger engines to match the A321neo LR's range, because there is a direct correlation between the diameter of a turbofan engine's fan blades

and the amount of thrust the engine can produce. For example, the more powerful 1A engine's fan blades have a diameter of 78 inches — 9 more than the 1B.

An upgrade to a larger engine will likely involve a redesign of the 737's landing gear. That's because the 737 was designed in the 1960s to be powered by Pratt & Whitney's JT8D engine with a much more compact fan diameter of 49 inches.

Since then, Boeing has been bolting on larger and larger engines on the 737, but the under-wing space has not changed. The 737 has essentially maxed out on the engine size that can fit under its wings. As a result, Boeing will have to raise and relocate the plane's landing gear.

This means that whether it decides to modify the 737 or to build a new plane from scratch, it'll be a move that will likely cost billions.

Norwegian expects to take delivery of its 737 MAX 8 in 2017, with the first A321neo LR expected in 2019.

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