

Air India's mega Airbus, Boeing order

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In news— Tata Group-owned Air India (AI) placed two mega orders recently, adding up to a staggering 470 aircraft for 250 planes with Europe's Airbus consortium, and 220 with Boeing Co. of the United States.

Why this order is significant?

- **This is the largest order placed by an airline in one go anywhere in the world, beating the 2011 order by American Airlines for a combined 460 aircraft.**
- **The biggest order by an Indian carrier before this was IndiGo's 300-aircraft order in 2019.**
- Going by the list price, the **AI order value is estimated between \$70 billion and \$80 billion.**
- However, manufacturers usually offer heavy discounts on such large orders, so the actual deal size is likely to be considerably smaller.



Details of the Air India order-

- **Seventy of the 470 aircraft are wide-body or twin-aisle planes for long-haul flights.**

- **Airbus has got the bigger order, but the Boeing order includes an option for a 70-plane top-up**, taking the possible order size to 540 aircraft.
- Of the 400 single-aisle or narrow-body planes – used for domestic flights and to nearby countries – 210 are of the Airbus A320 family, and 190 are of the Boeing 737 MAX family.
- In AI's wide-body aircraft order are 40 Airbus A350s, 20 Boeing Dreamliners, and 10 Boeing 777X.
- The Boeing wide-body aircraft order includes the option for another 20 787-9s.

WHICH PLANES, HOW MANY

Model	Order Size (nos)	Avg List Price (\$ mn)	Total List Price (\$ mn)
737 Max*	190	128.25	24,367.5
787-9	20	292.5	5,850
777-9	10	442.2	4,422
TOTAL (BOEING)**	220		34,639.5
A320neo	140	110.6	15,484
A321neo	70	129.5	9,065
A350-1000	34	366.5	12,461
A350-900	6	317.4	1,904.4
TOTAL (AIRBUS)**	250		38,914.4
GRAND TOTAL	470		\$73.55 billion**

The list price for 737 MAX aircraft is based on average of list prices of two variants – MAX-8 and MAX-10 – that are part of the Air India order. The split between the two variants is not available.
** Computation based on list prices. Usually in large orders, significant discounts are offered by manufacturers.



Pics: Airbus, Boeing

- **AI's current fleet is estimated at 140-strong**, with the majority being narrow-body planes.
- **AI largely depends on Airbus planes for domestic operations**, while its wide-body fleet comprises Boeing aircraft.
- **Air India Express operates only Boeing narrow-body planes.**
- The erstwhile Indian Airlines and Air India had placed an order for a total 111 single-aisle Airbus and twin-aisle Boeing planes more than 17 years ago.
- The two government-owned carriers of the time were later merged under the Air India brand.
- In orders of this size, airlines often split the order

between the two major aircraft makers.

- This is done with a view to expedite deliveries, particularly when the airline is targeting rapid capacity expansion, as Air India wants to do. Had the entire order been placed with either Airbus or Boeing, delivery timelines would have been pushed back considerably.

Airbus(France) vs Boeing(US) in India-

- Over the years, **Airbus has emerged as the undisputed leader in India's domestic aviation space, with the lion's share of narrow-body planes** coming from its stable specifically, the A320 family.
- With the exceptions of SpiceJet and new entrant Akasa Air, **all major airlines in India**-IndiGo, Air India, Vistara, Go First, AIX Connect **depend almost entirely on Airbus for narrow-body operations.**
- Together, these five carriers account for almost 90 per cent of India's domestic air travel market.
- **Boeing had started making inroads a few years ago with large orders for its 737 MAX aircraft** from Jet Airways and SpiceJet.
- However, a combination of factors, the bankruptcy of Jet Airways, financial troubles at SpiceJet, and the grounding of 737 MAX planes globally for an extended period over safety issues – delivered a blow to Boeing's ambitions in India.
- **With the 737 MAXs now back in service globally and Boeing offering faster deliveries,** the US-based manufacturer would be looking to give tough competition to Airbus in India.
- **Among wide-body aircraft,** of which there aren't too many in India, **Boeing is the leader – both Air India and Vistara have all-Boeing wide-body fleets.**
- In fact, the Air India order for 40 Airbus A350s is being seen as a win for Airbus, which has been pitching

its wide-body products to Indian carriers for some years now, but had been unable to make inroads into the Boeing-dominated segment.

- The last Indian carrier to deploy Airbus wide-body planes was Jet Airways.