

India's IndiGo makes \$33bn mega-order of Airbus jets

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With another 300 fuel-efficient planes on order, IndiGo will be able to reduce fuel costs further in the future

Indian airline IndiGo has placed an order for 300 A320neo family aircraft, Airbus said Tuesday, in one of its largest-ever orders from a single firm, worth over \$33.2 billion at catalogue prices.

The leading Indian airline said the order would help it to keep growing fast while cutting costs.

The Airbus order stands in stark contrast to the situation faced by its direct rival, Boeing's 737 MAX airliner, which has been grounded since March following two crashes that killed a total of 346 people.

Boeing chief executive Dennis Muilenburg was to appear Tuesday and Wednesday before US lawmakers who want to know among other things if Boeing cut corners to rush the MAX out to compete with the Airbus A320neo models.

"The fuel-efficient A320neo family aircraft will allow IndiGo to maintain its strong focus on lowering operating costs and delivering fuel efficiency with high standards of reliability," Riyaz Peermohamed, Chief Aircraft Acquisition and Financing Officer of IndiGo, said in a statement.

IndiGo is already the largest operator of Airbus's latest-generation single-aisle model, which have become a top seller as they offer airlines considerable savings in fuel, one of their biggest costs.

The airline currently operates 97 of the planes. Including the 300 ordered on Tuesday, it has ordered a total of 730 of the medium-range models.

India's market for aircraft is growing fast.

The number of passengers there has multiplied by six over the past decade as middle class travellers take advantage of better connections and cheaper flights.

"We are pleased to see our aircraft allowing IndiGo to take full

advantage of the predicted growth in Indian air travel," Airbus chief executive Guillaume Faury was quoted by a statement as saying.

An Airbus estimate of the need for new planes in India over the next 20 years foresees domestic traffic that is 4.8 times greater than at present.

The latest IndiGo order includes a mix of the A320neo, the larger-capacity A321neo and the A321XLR, with a range of 4,700 nautical miles (8,700 kilometres, 5,400 miles) that is to be unveiled in June.

"IndiGo has brilliantly demonstrated the relevance of the A320neo for leading low-cost operators, and the A321neo—and now the A321XLR—provide our operators with the logical next step in cost efficiency, passenger comfort and market coverage," said Airbus' chief commercial officer, Christian Scherer.

At the end of September, Airbus had recorded more than 6,650 firm orders from nearly 110 clients for planes from the A320neo line, while Boeing had booked 4,930 orders for the 737 MAX.

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