

Airbus orders plunge 65 percent as airlines hunker down

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Airlines have been forced to scale back purchases of aircraft by makers such as Airbus as a result of the coronavirus crisis

European plane maker Airbus said Friday that it garnered just 268 net new orders last year, a drop of 65 percent year-on-year reflecting

persistent fears about the prospects for air travel amid the coronavirus crisis.

The new orders take into account 115 cancellations as airlines scaled back their ambitions because of uncertainty about how long international travel restrictions will remain in place.

Deliveries of completed Airbus planes also suffered, falling 34 percent to 566 planes last year.

"Based on our 2020 deliveries, we are cautiously optimistic as we look into 2021, although challenges and uncertainties remain high in the short term," chief executive Guillaume Faury said in a statement.

The company scaled back production at its factories by 40 percent last spring, and Faury said in October that no uptick was expected before the third quarter of 2021.

Airlines are facing their worst year ever, the International Air Transport Association warned in November, with the COVID crisis likely to have slashed industry revenue by 60 percent in 2020.

Even though airlines have reduced costs by \$1 billion a day, grounded fleets and cut jobs, they are still racking up huge and "unprecedented" losses, the IATA said.

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