

Kuwait Airways raises Airbus order to 31 jets in \$6 bn deal

February 21 2022



A photo provided by the Kuwaiti news agency KUNA shows the Chairman of Kuwait Airways Ali Al-Dukhan (C-L) shaking hands with Mikail Houari, President of Airbus Africa and Middle East, after signing a deal at the Kuwait Airways headquarters.

Kuwait Airways announced Monday an expanded \$6 billion deal with

Airbus for 31 planes, restructuring an agreement reached in 2014.

The deal comes after what the airline labelled occasionally "heated" negotiations following probes over allegations of kickbacks surrounding the initial order.

"We have managed to agree on a monumental restructuring that will position Kuwait Airways in a much stronger place to succeed for the next 15 years," company chairman Ali Al-Dukhan told a news conference.

The new agreement, which adds three new aircraft to the existing order of 28, includes nine Airbus A320neo, six A321neo, three A321neoLR, four A330-800neo, seven A330-900neo and two A350-900.

Al-Dukhan said the reshaped deal, aimed at giving the airline greater flexibility after the travel industry was rocked by the coronavirus pandemic, now carried a "total value of about \$6 billion".

"Although corrections were made in 2018, the deal needed further corrections to suit Kuwait Airways' future, especially with the need to transition and become more flexible in a post-Covid aviation industry," he said.

Negotiations took place against the backdrop of bribery allegations that cost Airbus billions of dollars in settlement fees in other countries in 2020.



The Airbus headquarters in Saint-Martin du Touch near Blagnac on the outskirts of Toulouse.

Record profits

"As we initiated the negotiations, we knew we were already the underdogs going in as 40 percent of the [deal](#)'s value had already been paid and the delivery had started," Al-Dukhan said.

He added: "We entered four months of serious, professional negotiations, which did get heated at times, but always maintained respect and understanding of each other's wants and needs."

Kuwait Airways had initially ordered 15 Airbus A320neo and 10 A350 in 2014, with delivery beginning in 2019.

In February 2020, Kuwait's parliament opened a fact-finding panel to probe allegations of kickbacks, after Airbus paid huge fines to settle bribery cases in French, British and American courts.

Under the settlement, Airbus agreed to pay 3.6 billion euros (\$4.1 billion) in fines to settle corruption probes into some of its aircraft sales.

Last week, the European giant announced record profits of 4.2 billion euros (\$4.8 billion) in 2021, after two straight years of losses during the pandemic.

Deliveries of aircraft rose eight percent to 611 planes, Airbus said in an earnings statement.

© 2022 AFP

Citation: Kuwait Airways raises Airbus order to 31 jets in \$6 bn deal (2022, February 21)
retrieved 2 May 2024 from
<https://techxplore.com/news/2022-02-kuwait-airways-airbus-jets-bn.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
