

Air France-KLM orders 60 new Airbus planes, plans A380 phase-out

30 July 2019



Airbus's new A220-300 is a medium-haul jet designed to carry 100 to 150 passengers

Air France-KLM said Tuesday that it would buy 60 of Airbus's new A220-300 planes, one of its biggest orders in years as the airline moves to modernise its fleet in order to reduce operating costs and rein in carbon emissions.

The company also revealed that it would cease operating its massive Airbus A380 superjumbos, saying they were no longer cost-effective in the highly competitive travel markets.

Chief Executive Ben Smith, a Canadian named last year with the task of streamlining the airline's operations, said the A220s would be cheaper to fly while also "significantly reducing CO2 and noise emissions".

The airline did not reveal the value of the huge order, which would be worth \$5.5 billion (4.9 billion euros) at list prices, though <u>airlines</u> usually negotiate significant discounts.

It includes an option for 30 additional A220s, which will replace the ageing Airbus A318s and A319s for

its short and medium-haul flights.

The airline said they would reduce operating costs per seat by at least 10 percent.

"This is a very important next step in Air France's transformation," Smith said in a statement, released ahead of the airline's first-half earnings report on Wednesday.

The A220 was known as the Bombardier C Series before Airbus bought a majority share in the loss-making aircraft last year and rebranded it.

Assembled in the Canadian province of Quebec, it can carry between 100 and 150 passengers and has a range of more than 6,000 kilometres (3,730 miles).

No more superjumbos

Air France-KLM also announced plans to phase out by 2022 the use of its 10 A380 superjumbos, which have failed to prove as popular as hoped with airlines worldwide.

Airbus had already halted production of the doubledecker jet earlier this year after failing to secure any new orders

"The A380 consumes 20 to 25 percent more fuel Chief Executive Ben Smith, a Canadian named last per seat than new generation long-haul aircraft, and year with the task of streamlining the airline's therefore emits more CO2," the airline said.

It said it is studying potential replacements for the A380s, and has already recently placed orders for Airbus's popular A350 long-haul jet as well as Boeing 787 Dreamliners.

Smith is on a drive to cut the carrier's costs and help it compete against low-cost rivals by closing or reducing shorter loss-making routes and using smaller aircraft.

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In May, he also announced plans to cut up to 465 jobs through voluntary redundancies.

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