

Emirates opts for 30 Boeing 787 Dreamliners in revised deal

20 November 2019, by Aya Batrawy



Boeing Commercial Airplanes president and CEO Stanley A. Deal, left, hands Sheikh Ahmed bin Saeed Al Maktoum, the chairman and CEO of the Dubai-based long-haul carrier Emirates, a model of a Boeing 787 Dreamliner at the Dubai Airshow in Dubai, United Arab Emirates, Wednesday, Nov. 20, 2019. Dubai's carrier Emirates announced Wednesday a firm order for 30 Boeing 787 Dreamliners in deal valued at \$8.8 billion. (AP Photo/Jon Gambrell)

The Middle East's biggest carrier, the Dubai-based Emirates, announced on Wednesday a firm order for 30 Boeing 787 Dreamliners in a deal valued at \$8.8 billion.

The order, however, does not represent additional spending by Emirates because it replaces a previous agreement with the Chicago-based plane manufacturer at a near trade at list prices, which are negotiated by airlines.

Emirates CEO and Chairman Sheikh Ahmed bin Saeed Al Maktoum said the new order replaces a previous agreement for 150 777x Boeing aircraft. That \$56 billion deal had been announced at the 2013 Dubai Airshow.

Instead, Emirates said it is purchasing 126 of the 777x aircraft and 30 of the 787-9 Dreamliners. Combined, the value is also around \$56 billion.

Earlier at the airshow, Emirates announced it would be buying 20 wide-body Airbus A350s, bringing its total order for the aircraft to 50 in an agreement worth \$16 billion at list price. That deal, however, replaced a \$21.4 billion agreement struck in February to purchase 70 Airbus aircraft, which had included 40 of the A330neo.

Overall, Airbus netted around \$38 billion in new plane orders at the airshow this week to Boeing's roughly \$17 billion, though not all are firm orders. Around \$20 billion of these commercial purchasing announcements were made by low-cost carriers.



Boeing Commercial Airplanes president and CEO Stanley A. Deal, left, shakes hands with Sheikh Ahmed bin Saeed Al Maktoum, the chairman and CEO of the Dubai-based long-haul carrier Emirates, at the Dubai Airshow in Dubai, United Arab Emirates, Wednesday, Nov. 20, 2019. Dubai's carrier Emirates announced Wednesday a firm order for 30 Boeing 787 Dreamliners in deal valued at \$8.8 billion. (AP Photo/Jon Gambrell)

The Dubai Airshow, which opened Sunday and is the Middle East's biggest aviation event, has seen the region's flagship Gulf carriers rein back big-ticket purchases as they face industry headwinds from lower airfreight demand to weakened travel demand in the region. The big Gulf airlines also have multiple existing orders on planes yet to be delivered.

Emirates, which feeds Dubai's busy international airport, posted significantly lower earnings of \$237 million this past fiscal year compared to the previous year's whopping \$762 million. Meanwhile, Abu Dhabi's flagship carrier Etihad has posted losses for several consecutive years. Qatar Airways, another major Gulf carrier, is struggling under a blockade imposed on Qatar by neighboring Gulf Arab states, including the United Arab Emirates.

As major Mideast airlines contend with dips in earnings, U.S. plane manufacturer Boeing faces pressure over its troubled 737-8 Max jet.

Still, Boeing announced 60 orders for the jet this week, signaling a vote of confidence among some airlines for the Max that's been grounded around the world following crashes that killed 346 people. Boeing said Wednesday an order for 20 came from an unidentified customer.

The crashes, in October of last year and March, raised questions about pilot training requirements and the plane's new technology, particularly an anti-stall software that pushed the planes' noses down.

The crashes also sparked criticism of the U.S. Federal Aviation Administration's certification process, particularly for new technology on aircraft.

Boeing has said it hopes to have the Max certified by the FAA and flying again by January, before other regulators around the world follow suit.

FAA Administrator Steve Dickson told reporters at the airshow Wednesday that the regulator will not be pressured on time.



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Sheikh Ahmed bin Saeed Al Maktoum, the chairman and CEO of the Dubai-based long-haul carrier Emirates, speaks at a news conference at the Dubai Airshow in Dubai, United Arab Emirates, Monday, Nov. 18, 2019. Emirates announced Monday a new order for 20 additional wide-body Airbus A350-900 planes in a deal worth \$6.4 billion. This brings the airline's total order for the aircraft to 50 Airbus A350s costing \$16 billion at list price. (AP Photo/Jon Gambrell)



way."

He said his message to the FAA workforce is to understand "that we need to run every step of the process." When asked if the plane would be certified by January, Dickson said: "It remains to be seen."

"I'm not going to commit to a timeline," said Dickson, who was sworn-in to the post for a five-year term in August.

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U.S. Federal Aviation Administration administrator Steve Dickson speaks to journalists at the Dubai Airshow in Dubai, United Arab Emirates, Wednesday, Nov. 20, 2019. Dickson said Wednesday that the FAA wouldn't be pressured to rush approvals to allow the troubled Boeing 737 Max to fly again. (AP Photo/Jon Gambrell)



U.S. Federal Aviation Administration administrator Steve Dickson speaks to journalists at the Dubai Airshow in Dubai, United Arab Emirates, Wednesday, Nov. 20, 2019. Dickson said Wednesday that the FAA wouldn't be pressured to rush approvals to allow the troubled Boeing 737 Max to fly again. (AP Photo/Jon Gambrell)

"As a regulator, there's certain things that we have to do, but time pressure can't be one of them," he said. "We've got to make sure that we do everything the right way and do it the complete

APA citation: Emirates opts for 30 Boeing 787 Dreamliners in revised deal (2019, November 20) retrieved 29 November 2021 from <https://techxplore.com/news/2019-11-emirates-opts-boeing-dreamliners.html>

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