

Airbus cancels Qatar Airways plane order in feud

21 January 2022, by Mathieu Rabechault



Qatar Airways is demanding more than \$600 million in compensation from Airbus in a row over the A350 plane.

Airbus has taken the extraordinary step of cancelling a multi-billion-dollar order of 50 planes from Qatar Airways, a major customer, in an escalating feud over the airline's grounding of A350 aircraft.

The Qatari company, one of the Gulf region's "big three" carriers, has grounded nearly half of its 53-plane A350 fleet over degradation of exterior fuselage surfaces.

The airline has taken the dispute to the High Court in London and stopped accepting further deliveries of the wide-body aircraft from the European firm until the problem is resolved.

An Airbus spokesman told AFP on Friday that the aircraft maker has "terminated" a contract with Qatar Airways for 50 single-aisle A321neo aircraft, "in accordance with our rights".

It is usually airlines that cancel orders when they no longer need them or cannot afford them anymore.

The order was worth more than \$6 billion at catalogue prices, though airlines are usually charged less for large purchases.

Qatar Airways said in a statement that it had been adhering to all of its contractual obligations with Airbus.

"It is therefore a matter of considerable regret and frustration that Airbus has taken the apparent decision to expand and escalate this dispute," the airline said.

The two companies had their first hearing on the A350 dispute in court on Thursday.

Qatar Airways demanded \$618 million in compensation, plus \$4 million more per day for each day the A350 planes have been kept idle, a source close to the matter said.

Airbus said it cancelled the A321neo orders because Qatar Airways failed its contractual obligations by refusing to take deliveries of A350 planes.

The aerospace giant has acknowledged the existence of paint degradation, which can expose a metallic mesh that protects aircraft from lightning strikes.

But Airbus says the issue poses no air safety problems.

The aerospace giant has said the European Aviation Safety Agency (EASA) confirmed its findings that the paint-related issue had "no airworthiness impact on the A350 fleet".

21 planes grounded

The row erupted in August last year when Qatar Airways announced that its country's aviation regulator ordered the grounding of 13 A350 planes

due to the fuselage issue.

There are now 21 airplanes sitting on the tarmac. Airbus was supposed to deliver 23 more A350 planes to the airline but Qatar Airways has refused to accept them since last summer.

Other airlines have found similar paint issues with their A350 planes, but Qatar Airways is the only one to have grounded aircraft.

"Qatar Airways' number one priority remains the safety of its passengers and crew," it said in its Friday statement.

"For this reason, all affected aircraft remain grounded, and we are unable to accept delivery of further aircraft tendered for delivery by Airbus."

It released a video showing widespread flaking of paint from the fuselages of several aircraft, exposing the metallic mesh underneath, saying "these defects are not superficial".

Airbus said last month that it was ready to seek independent arbitration to settle the dispute.

In an unusually stern statement about a client, Airbus said at the time that the "attempt by this customer to misrepresent this specific topic as an airworthiness issue represents a threat to the international protocols on safety matters".

Qatar Airways took the matter to the London court instead.

A new hearing is scheduled for the week of April 26.

"We welcome the decision of the court to expedite this issue and order a hearing in April in an effort to bring about a more rapid resolution to the dispute," it said.

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