

Air India plans to order 300 jets, one of history's largest aircraft deals

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New Delhi : Air India Ltd is eyeing to order 300 narrow-body jets marking one of the largest aircraft orders in commercial aviation history as parts of plans to overhaul its fleet under new ownership.

According to reports, the carrier may order Airbus SE's A320neo family jets or Boeing Co's 737 Max models, or a mix of both. A deal for 300 737 Max-10 jets could be worth USD 40.5 billion at sticker prices, although discounts are common in such large purchases.

Winning a narrow-body order in India would be a coup for Boeing, as rival Airbus dominates the skies in the country, the world's fastest-growing aviation market before the Covid-19 pandemic.

Production and delivery of 300 planes would likely take years or even over a decade.

An Airbus representative said the company is always in contact with existing and potential customers, but any discussions are confidential.

Air India's owner Tata Group is also close to an order for Airbus A350 long-range jets that are capable of flying as far as the US West Coast from New Delhi, reports claimed.

Once known for its premium services and advertisements featuring Bollywood stars, the airline still has lucrative landing slots at most major airports, but it faces competition from foreign airlines with nonstop services to India, as well as carriers that fly via hubs in the Middle East.

Tata bought the airline earlier in 2022 in the most high-profile privatisation under Prime Minister Narendra Modi. It is expected to consolidate its aviation businesses, including four airline brands.

An order for new planes, especially with favourable terms on long-term maintenance, would help it cut costs and compete better with rivals that offer very cheap fares.

Since April, the airline's Chairman N Chandrasekaran — who also is the Chairman of the Tata Group — has rejigged the top management of the airline, bringing in senior and middle-level executives who have worked in other companies of the Tata Group such as Tata Steel and Vistara.

Air India also operates flights to domestic and Asian destinations through its subsidiary Air India Express.