

## Air India to seal half of jumbo plane order

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Air India will on Friday (27 January) seal half of an order worth billions of dollars for some 495 jets with Boeing and engine suppliers General Electric and CFM International, two industry sources said, as its new owner seeks to revive the airline and compete with much larger rivals.

After months of closely-guarded, tough negotiations, Air India is set to place an order for 190 Boeing 737 MAX narrowbody planes as well as some 20 Boeing 787s and 10 Boeing 777X on a day marking one year since Tata Group took control of the former state-run carrier, the sources told.

The second half of the order, which industry sources have told Reuters includes around 235 Airbus single-aisle jets and about 40 Airbus A350 widebody aircraft, is expected to be formally wrapped up over the coming days.

Senior Boeing, GE and CFM officials are expected in India to mark the deal on Friday.

Despite earlier expectations of a single coordinated announcement, it remains unclear when either deal may be publicly disclosed especially with the Aero India air show looming in February when deals like this are usually revealed.

Manufacturers Boeing and Airbus, as well as CFM's joint venture partners GE and Safran declined comment. Air India did not respond to a request for comment.

News agency reported last month Air India was closing in on a deal for about 500 jets.

The order, once finalised, aims to put Air India in the league of large global airlines and make it an influential customer for planemakers and suppliers at a time when its home market is seeing a strong post-Covid travel surge.

Domestic passenger air traffic in India grew 47% in 2022 from a year ago,

government data showed.

Analysts caution the airline faces intense competition given the connectivity carved out by local and international rivals.

India, which is set to overtake China as the world's most populous country, has a large, under-served air travel market dominated by budget carrier IndiGo. The bulk of India's outbound passenger traffic, however, is carried by Middle Eastern airlines like Emirates and Qatar Airways.

#### RESURGENT AIR INDIA

Under its new owners Air India is looking to restore its reputation at home and overseas as a storied carrier with impeccable service and world-class planes.

It has put back in service nearly 20 aircraft that had been grounded for years due to lack of parts and money. The airline has also said it will spend over \$400 million to refurbish its entire legacy wide body fleet of 27 Boeing 787-8s and 13 777 aircraft.

The aim is to corner 30% of the domestic air travel market over the next five years thus narrowing the gap with market leader IndiGo. It also wants to increase by "multiples" its current share of international travel, the airline's new chief executive Campbell Wilson previously said.

Tata's four airlines, including two budget carriers, Air India and Vistara its joint venture with Singapore Airlines, have a combined market share of 24pc.

Analysts have said Air India has the ability to claw back some passengers from rival Gulf carriers but not before it matches their quality of fleet and service. Nor will the domestic battle with IndiGo happen without tough competition from a carrier that continues to expand.

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