

China Southern eyes USD 2.46b fund to purchase 50 A320neos

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Dhaka: Guangzhou-based China Southern Airlines has set its sights on raising USD 2.46 billion through a private placement of shares. This fund aims to facilitate the expansion of its fleet by adding 50 Airbus A320neo aircraft, the airline announced in its stock exchange filing, as per reports.

According to the airline, based on the open market quotation of A320 series aircraft using Airbus' catalog price in January 2020, the total contract price for the 50 A320neo aircraft would be around USD 6.3 billion.

China Southern's goal to expand its fleet aligns with its strategic objectives of optimising the route network and enhancing capacity in the Guangdong-Hong Kong-Macao Greater Bay Area. The introduction of the 50 Airbus A320neo aircraft, as stated by the airline, will not only bolster its fleet size but also serve as a partial replacement for older narrowbody aircraft currently in operation.

In addition, the funds raised will also aid in alleviating liquidity challenges resulting from the global pandemic's aftermath. The carrier further emphasised that these measures will enhance the company's resilience against risks and bolster its competitiveness in the market.

As the largest carrier in China based on fleet size, China Southern boasts a broad and diverse range of aircraft in its fleet. As it stands, the Chinese airline has a total of 656 aircraft in its fleet, with an average age of 9.2 years, according to reports.

China Southern Airlines has a significant presence of Airbus narrowbody aircraft in its fleet. Specifically, the airline operates an impressive fleet of 155 Airbus A321s, 145 Airbus A320s, and 13 Airbus A319 jets. In addition, China Southern operates 40 Airbus A330s and 16 Airbus A350 XWBs as part of its Airbus widebody fleet. It is also worth noting that China Southern was China's sole operator of the Airbus A380 double-decker.

Meanwhile, the airline also has a considerable number of Boeing-manufactured jets. China Southern operates 211 Boeing 737 aircraft (161 Boeing 737-800s, 26 737-700s, and 24 737 MAX 8s). When it comes to widebodies, China Southern has a total of 32 Boeing 777s and 27 Boeing 787 Dreamliners. In addition, as part of its regional fleet, the airline operates 17 ARJ21 jets manufactured by the Chinese plane maker COMAC.

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