NOTE TO MR. JEAN-LUC DEMARTY, DIRECTOR-GENERAL, DG TRADE

Subject: Airbus signs a deal with ANA for 30 aircrafts

Summary

1. Today, ANA announced the purchase of 30 Airbus planes (A320neo/A321neo) and 40 Boeing as part of an order for 70 planes valued at a catalogue price of €12 billion. Following the breakthrough contract with JAL in October 2013 (31 Airbus 350, plus an option for a further 25 aircrafts), this contract with the 2nd largest airline in Japan, clearly positions Airbus as an alternative supplier to Boeing, which had enjoyed until recently a situation of quasi-monopoly in Japan.

Details

2. ANA, the second biggest airline company in Japan after JAL announced today that it would place firm orders for 70 new aircraft worth ¥1700 billion, roughly €12 billion at list price, with Boeing and Airbus. The order is the biggest in the Japan airline’s history. The aircrafts will be delivered during the period of 2016 and 2027 and will increase the size of the ANA fleet to 250 aircrafts.

3. ANA has decided to purchase 40 Boeing including twenty Boeing 777-9X, a large twin-aisle aircraft as a successor to its existing fleet of Boeing 777-300ERs. In addition, ANA will place fourteen orders for the medium-sized Boeing 787-9 aircraft and will purchase six Boeing777-300ER aircraft to support the expansion of its international services until delivery of Boeing 777-9X.

4. The order with Airbus consists of 30 smaller single-aisle jets from the A320 family - seven A320neo aircraft and twenty-three A321neo aircraft, which will replace ANA’s existing B737-500 and A320ceo aircraft. Their catalogue price is estimated at €2.6 billion.
5. This announcement comes shortly after the decision by JAL in October 2013 to acquire 31 Airbus 350 plus an option for a further 25 aircraft at a catalogue price of € 7.2 billion (see note by the Delegation of 7 October 2013). This second order in a matter of few months with a large Japanese airline company says a lot not only about Airbus’ competitive edge in Japan but also about the change in Japan’s airplane procurement market. Stephane Ginoux, President of Airbus Japan welcomed the news indicating that it would give a new impetus in the relationship between Airbus and ANA, and that ANA would become the first customers of the A320 and 321 NEO in Japan.

6. It should however be noted that Boeing has secured the biggest part of ANA’ order (roughly 80% of the value), thanks to the sales of wide body jets (777 and 787) whose value per unit is much higher than the single aisle A 320. This time, unlike with JAL, Boeing was able to convince ANA to favour their 777 and 787 jets against the A 350 giving them the upper hand in the wide body segment.

**Comments by the Delegation**

7. The ANA order confirms that Airbus has now become a natural alternative to Boeing for the Japanese airline industry. With the growing number of Airbus jet that are going to be delivered in the coming years (starting in 2016 for both JAL and ANA) it can be expected that industrial cooperation between the EU and Japan in the aeronautic sectors is likely to expand. A preliminary sign of this is the recent selection of Mr Kazuo Tsukuda, a senior executive of Mitsubishi Heavy Industry as co-chairman and alter ego of Airbus CEO Brégier for the EU-Japan Business Round Table. Airbus business expansion in Japan will not only imply sales but also the development of a local network of service and technical component suppliers, as well as technological cooperation and research development partnerships, all of which could be offered by Mitsubishi Heavy Industries and its network of local partner companies.

(e-signed)
Hans Dietmar Schweisgut

Art. 4.1(b)