



**TIANJIN:** Airbus President and Chief Executive Officer Fabrice Bregier speaks during the ground breaking ceremony for the Airbus A330 Completion and Delivery Center in north China's Tianjin Municipality. — AP

## AIRBUS TOUTS 400-SEAT 'A350-8000' JETLINER

**PHOENIX:** Airbus is seeking airline support for a new 400-seat jetliner provisionally dubbed the A350-8000 as competition escalates with Boeing over the world's largest two-engined jets, airline and aviation industry sources said. After talking up the possibility of a new member of its A350 family, the European planemaker has swung into an active pre-marketing phase as it responds to a recent upgrade in the competing Boeing 777.

While Boeing has scored successes in the Gulf with its biggest ever twin-engined jet, the 406-seat 777-9, Airbus is expected to aim its design at airlines that do not always require the performance needed for extreme Gulf conditions.

"It would have similar capacity and range (as the 777-9) and substantially lower seat-mile costs," Airbus sales chief John Leahy said in an interview. "We are showing it to airlines right now."

The project is the latest move in a game of leapfrog played by Airbus and Boeing over the past decade in the market for big twinjets, valued at about \$1.9 trillion over 20 years.

It marks a shift in priorities after the oil price collapse eased pressure on Airbus to upgrade its larger four-engined A380, output of which is declining because of slow sales.

Two airlines whose feedback could be decisive in whether Airbus launches the new jet are Singapore Airlines and British Airways. Singapore took delivery of its first smaller A350-900 model this week and has long been weighing up the 777-9, while putting pressure on Airbus to offer it a choice.

Both airlines declined to comment.

Airbus planemaking president Fabrice Bregier was visiting Singapore on Thursday, where a spokesman declined to comment. The A350 XWB (Extra Wide Body) family was launched after a string of setbacks in

2006 to compete with Boeing's mid-sized 787 Dreamliner and the larger 777. Boeing responded to the all-new jet by upgrading its existing 777 series to include the 777-9, which has outsold the A350-1000 by about 40 percent but has entered a lean period.

Boeing has disclosed 306 sales of 777-9s and a similar variant, while Airbus has sold 181 of its A350-1000s.

"It is clearly an airplane that is on its own in the marketplace and the airplane is selling very well," Boeing marketing chief Randy Tinseth told the Istat Americas air finance conference, referring to the latest 777 model.

### KEY DECISIONS

The new, bigger A350 would use a derivative of the latest Rolls-Royce Trent XWB planned for the A350-1000. One person briefed on the plans said it would boost thrust from the current 97,000 pounds to just over 100,000 pounds.

Airbus believes this would compete well for the majority of airline needs and head off further 777-9 sales. But some analysts said a key to the project would be how easily Rolls-Royce could expand a full slate of projects as it strives to cut costs, even if leaving the Gulf business to Boeing.

"This sounds like they are making a virtue of its lack of hot-and-high performance compared to 777-9 when maybe it's the case that Rolls can't afford, or doesn't want to, do a much bigger and substantially new engine," said Nick Cunningham of UK-based Agency Partners.

One engine expert estimated the upgrade could cost half a billion dollars and require a bigger fan and new materials.

Rolls-Royce was not immediately available for comment. To give the new A350 more capacity and compete with the 777-9 on long trips, Airbus would boost the maximum take-off weight to just over 319 tons, compared with 308 tons on the Airbus

A350-1000, the person briefed on the plans said. However it would sacrifice some range compared with the 8,000-mile A350-1000. Airbus says it has not made a final decision on whether to launch a new A350 and will provide an update at the Farnborough Airshow in July.

Meanwhile, it has been weighing up what to call the new member off the A350 XWB family, reflecting deeper decisions on market positioning that can affect billions of dollars in sales.

It needs to strike a balance between protecting sales of the A350-1000, by emphasizing differences without weakening its long-held mantra of commonality between related aircraft.

Until now, the possible new model was widely known in the industry as the A350-1100, continuing a sequence from the 276-seat A350-800 to the 315-seat A350-900 and 366-seat A350-1000.

Now, sources say it is being pre-marketed with a surprise new identity, the A350-8000, though a final decision has yet to be taken. An earlier working title was A350-1000 XL.

Leahy confirmed that Airbus was reluctant to ratify the industry's nickname of A350-1100 but declined to give details.

"You don't want it so close to the 1000 that it is an either-or decision. You have the 1000 and another airplane, with equal gaps of 40 seats between the 900 and 1000 (models), and then whatever this becomes." Eight is a number widely used by planemakers and is seen as a symbol of success in a key battleground for sales: Asia.

"Eight is a very nice number out in Asia, but we are not going to comment until we launch the program," Leahy said. Airbus will however be hoping not to repeat the omen of the previous model to carry the -8000 model number: a VIP version of its A340, only one of which was ever built. — Reuters

## IMF ASKS EU TO BE 'REALISTIC' ABOUT GREECE BAILOUT PLAN

**WASHINGTON:** The IMF called on the European Union to be more "realistic" about what Greece must do to obtain further aid under an EU bailout program agreed in July.

For several months, EU officials and the IMF have held difficult discussions on the measures Athens should take to improve the finances of the debt-ridden eurozone country, reeling from nearly six years of recession. An informal meeting Wednesday in Brussels between representatives of the International Monetary Fund and the EU's European Commission, the European Central Bank and the European Stability Mechanism made "good progress," people on both sides said.

But the IMF, which has yet to decide whether to participate in the third bailout program for Greece since 2010, sounded its recurring theme Thursday on the question of the viability of the Greek economic program. "We try to provide the realistic analysis... that's our job to be realistic," said IMF spokesman Gerry Rice said, in the face of accusations by Greek authorities that the Fund is blocking progress on unlocking funds from the EU bailout.

"Although we are very close to the positions of the three European institutions, the IMF is maintaining a very hard position" that is "incomprehensible," Greek Finance Minister Euclid Tsakalotos said Thursday. "It's not right to characterize the IMF as tough or blocking," Rice said at a media briefing in Washington. At issue is how Greece can reach the budget targets set last July in exchange for 86 billion euros (\$94.2 billion) in EU financial aid.

The targets, aimed at reaching a primary budget surplus of 3.5 percent of gross domestic product in two years, are "very ambitious" and, above all, "had never been quantified nor specified," the IMF spokesman said. The 188-nation IMF, champion of orthodox fiscal policies, does not want to alter those targets but the program "needs to add up" and allow Greece to reduce debt to sustainable levels, Rice said. Currently the debt load is nearly 180 percent of GDP. — AFP

## STRONG US PAYROLLS REPORT BOOSTS DOLLAR, STOCKS

**LONDON:** The US dollar rose along with stocks yesterday after data showed the labor market in the United States was in good shape, fanning expectations the Federal Reserve will gradually raise interest rates this year.

European and US stock markets headed for their third week of gains, with the FTSEurofirst up 1 percent and futures prices predicting a 0.5 to 0.7 percent advance when trading starts in New York.

Data from the US Labor Department showed nonfarm payrolls grew by 242,000 jobs last month, beating forecasts for 190,000 new jobs. The unemployment rate held at an eight-year low of 4.9 percent, even though more people entered the job market.

The data also showed the US added 30,000 more jobs in December and January than previously reported. The only blemish in the report was a three-cent drop in average hourly earnings, but that was mostly because of a calendar quirk. "Labor market conditions are improving, but it's really a mixed bag and should easily keep the Fed on pause. They'll pause, but not stop, and the difference is important. I still think we could see a hike in June, but not before then," said Brian Jacobsen, chief portfolio strategist at Wells Fargo Funds Management.

The dollar rose 0.3 percent against a basket of major currencies as the euro fell back to \$1.0940. The dollar was also up against the yen at 114.02 yen. — Reuters



**TOKYO:** A passer-by is reflected on an electronic board of a securities firm in Tokyo yesterday. Asian shares were mixed in cautious trading yesterday as investors awaited the release of US non-farm payroll data. — AP