



WORLD

New Planes at Paris Air Show

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TRANSCRIPT:

RENEE MONTAGNE, host:

The Paris Air Show is the world's largest aviation trade fair, and it's now under way just outside the French capital. Nearly 2,000 aerospace and arms industry manufacturers from 44 countries have come to make deals and show off their latest technology. What's got everyone talking is the high-profile sparring between the world's only two manufacturers of large airliners: Airbus and Boeing. From Paris, Eleanor Beardsley has this report.

ELEANOR BEARDSLEY reporting:

The star of the Paris Air Show this year is the mammoth A380, the largest airliner in the world, newly launched by European plane-maker Airbus. All eyes are on the sky as it lifts off effortlessly and surprisingly quietly for a noontime fly-past. Boeing executive Charlie Miller watches his competition from an outside deck at the Boeing chalet. He admits the aircraft is impressive, but says size is not what counts.

Mr. CHARLIE MILLER (Boeing Executive): We see a very large plane for a very small market. We believe that people want to fly directly to where they want to go. They don't want to go through hubs, change, with all the risks involved in losing luggage, etc., so we believe the future is very much in smaller, midsize planes, flying fast directly from where you are to where you want to get to.

BEARDSLEY: Miller says this point-to-point strategy will be best served by Boeing's long-range 777 Worldliner displayed on the tarmac here and its 787 Dreamliner due out in 2007. Such planes will help to open up more than 400 new city pairs, he says, like Dallas to Dubai.

Unidentified Woman: (French spoken)

BEARDSLEY: On the other end of the airfield, Airbus is giving a press conference, crowing about a new deal they have signed with one of the fastest-growing airlines in the Middle East, Qatar Airways. Qatar also bought aircraft from Boeing, but that detail isn't mentioned here. Airbus chief commercial officer John Leahy says Boeing is misrepresenting his aircraft.

Mr. JOHN LEAHY (Airbus): The A380 will be flying to around 60 or 70 different airports by the year 2010 and it'll be flying point-to-point, but it'll also be transporting people in those important hubs. BEARDSLEY: Transporting them in a larger plane, in greater comfort and at a lower ticket price, says Leahy. Stephen Vella is a purchasing agent for Qatar Airways. He says the choice of aircraft usually comes down to who is offering the best deal.

Mr. STEPHEN VELLA (Qatar Airways): When an aircraft is launched, it takes very little time for the competitor, whoever he is, to catch up. So to make a decision between A and B is often very difficult, and at the end of the day, it always comes down to price and operating economics.

BEARDSLEY: Charles Alcock, editor of the trade publication Aviation International News, says the Boeing-Airbus rivalry makes great copy for his magazine, but a lot of it is bluster.

Mr. CHARLES ALCOCK (Aviation International News): Airbus and Boeing give a lot of energy to telling everybody that the other company isn't producing aircraft that are what the market wants. That's total nonsense. If you're a consumer of any type whatsoever, you want as much choice as possible, don't you?

BEARDSLEY: And, indeed, while trashing each other's strategy, both Boeing and Airbus are scrambling to develop aircraft to compete with the A380 and the Dreamliner. Meanwhile, a second battle front has opened in Geneva. The United States and the European Union have accused each other of giving their plane-makers illegal subsidies: Airbus in launch aid and Boeing in tax breaks. Alcock says the global nature of aircraft manufacturing makes the whole argument utterly spurious.

Mr. ALCOCK: The truth is when you look at each of the great new airliner programs, the Boeing 787 and the Airbus A380, these are totally international programs. They're completely trans-Atlantic programs. Neither program could go ahead without substantial contributions from companies in the other continent. So really, who's subsidizing who? You could have the ultimate nonsense of the Bush administration winning the battle over the subsidy issue and costing American jobs in the process.

BEARDSLEY: For the last four years, Airbus has led in market share, while Boeing has been plagued with internal problems. But analysts say Boeing is on track to overtake Airbus this year, thanks to orders for the 787 Dreamliner. Meanwhile, it is Airbus that is plagued by delays in the delivery of its A380. With plenty of orders still to come from an industry in full growth for the first time since 9/11, the battle of the aviation giants will not be settled in Paris this week. For NPR News, I'm Eleanor Beardsley in Paris.

MONTAGNE: You're listening to MORNING EDITION from NPR News.