

Airbus is examining defer deliveries after travel demand collapsed

Posted on April 16, 2020 by News Editor



European planemaker Airbus is examining multiple customer requests to defer deliveries after travel demand collapsed because of the coronavirus epidemic.

In a video message for the company's annual shareholder meeting, which was staged remotely because of lockdowns across Europe, Chief Executive Guillaume Faury said the planemaker was wrestling with "the gravest crisis in the history of the aviation industry".

Airbus is talking to customers about their requests to delay deliveries and is seeking solutions case by case and aircraft by aircraft, Faury said.

The company has suspended its 2020 forecast for aircraft deliveries as airlines contend with the coronavirus-related economic and logistical challenges of taking delivery of aircraft.

The planemaker this month said it would also cut production of its best-selling narrow-body aircraft by a third, to 40 a month, and issued targets implying a 37-43% cut in wide-body output.

Faury said the targets involved a "reasonable" level of production as Airbus also works to manage a backlog containing several years of unfilled orders.

Industry sources say production has slowed to a trickle for the time being as the company stabilizes its supply chain and factory practices to preserve social-distancing measures, meaning it must speed up in order to reach the new goals.

France's Force Ouvriere union on Thursday said that operations were also being hampered by a shortage of personal protection equipment in the aerospace supply chain and called on Airbus to ensure those workers are protected.

With Thursday's meeting being held remotely, only a handful of investors were expected to attend in Amsterdam, where lawyers of the Dutch-registered company were on hand to field questions before the formal adoption of a new chairman.

