

## A Review of the Dubai Air Show 2017

As the aviation industry continues to face critical challenges amidst rising costs and increased global political and economic volatility, the focus shifts to the Middle East. The gulf carriers such as Emirates, flydubai and Etihad Airways continue to challenge the dominance of the legacy airlines and this year was no exception. Despite the backdrop of the Qatar blockade, the Dubai Air Show 2017 was a successful event for the world's leading aircraft manufacturers with a total of 838 commitments placed during the event. Amongst them, 82 firm orders with five options were placed along with, 675 Memorandums of Understanding (MoU) with 52 options and 12 Letters of Intent (LoI) with 12 options.

### Order Overview

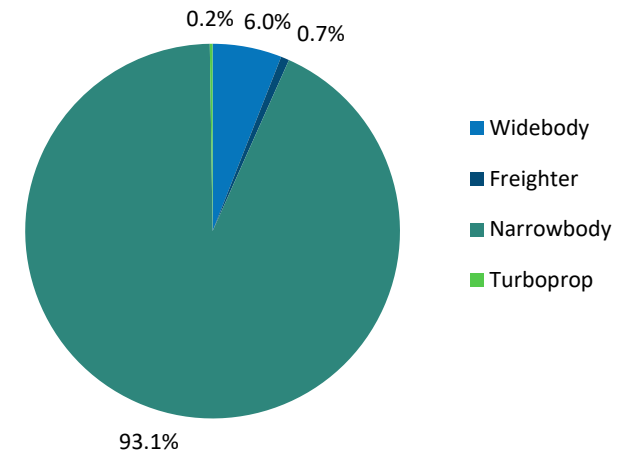
The narrowbody aircraft segment dominated the aircraft orders breakdown, obtaining 93.1% of the share, through the Airbus A320neo, Boeing 737 MAX and Bombardier CSeries families. This was followed by the widebody segment, through orders of the Boeing 787-8/-10 and Airbus A330neo obtaining 6.0% of the share. This was followed by the freighter segment with orders for the Boeing 777F and possibly 747-8F accounting for 0.7% of the share. The Regional jet segment failed to achieve any orders.

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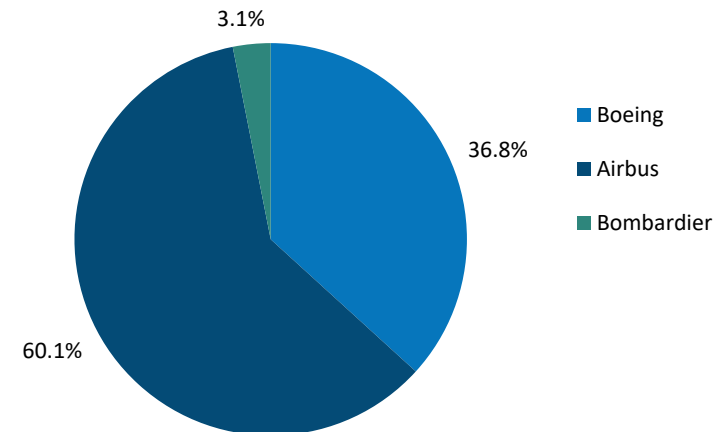
### Summary of Orders by Segment

\*Includes Firm, MoU and Options



### Summary of Orders by OEM

\*Includes Firm, MoU and Options



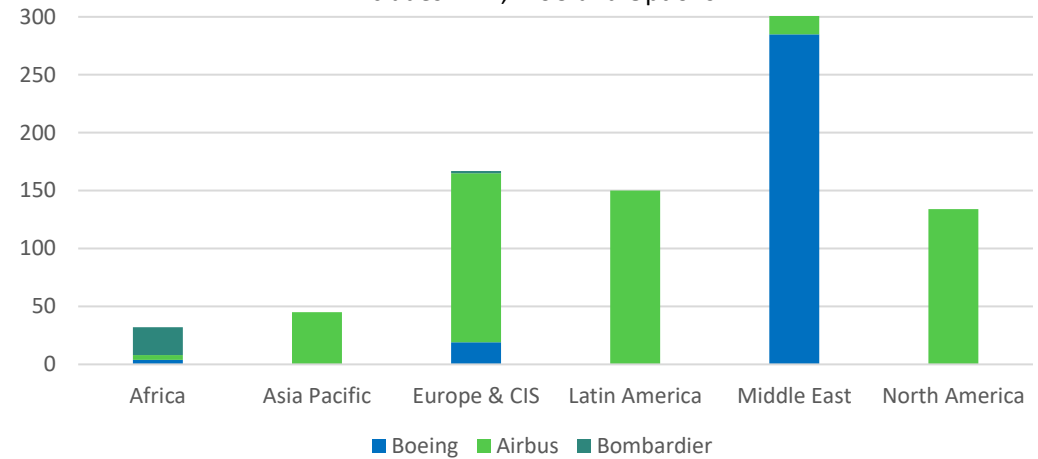
The turboprop segment of the market received two orders in total, both for the Bombardier DHC8-400Q, accounting for 0.2% of the share.

Overall, Airbus dominated the share of orders with 60.1% of the total, followed by Boeing with 36.8% and Bombardier with 3.1%. If options are excluded from the count, the share equates to; Airbus 65%, Boeing 33% and Bombardier 2%.

In terms of the order distribution, airlines/operators comprised 92% of the total transactions, while lessors accounted for 8%. The majority of the orders came from the Middle East region with the likes of Emirates Airlines, flydubai, and Wataniya Airways. The major leasing companies involved in orders included ALAFCO and China Development Bank Leasing.

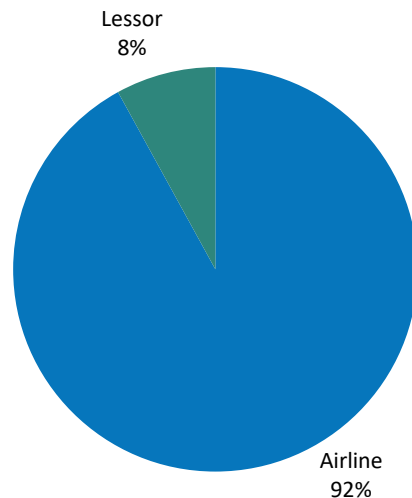
### Geographical Distribution of Total Orders by Manufacturer

\*Includes Firm, MoU and Options



### Commitments by Customer Type

\*Includes Firm, MoU and Options



Region	Number of Aircraft
Africa	32
Asia Pacific	45
Europe & CIS	167
Latin America	150
Middle East	310
North America	134
<b>TOTAL</b>	<b>838</b>

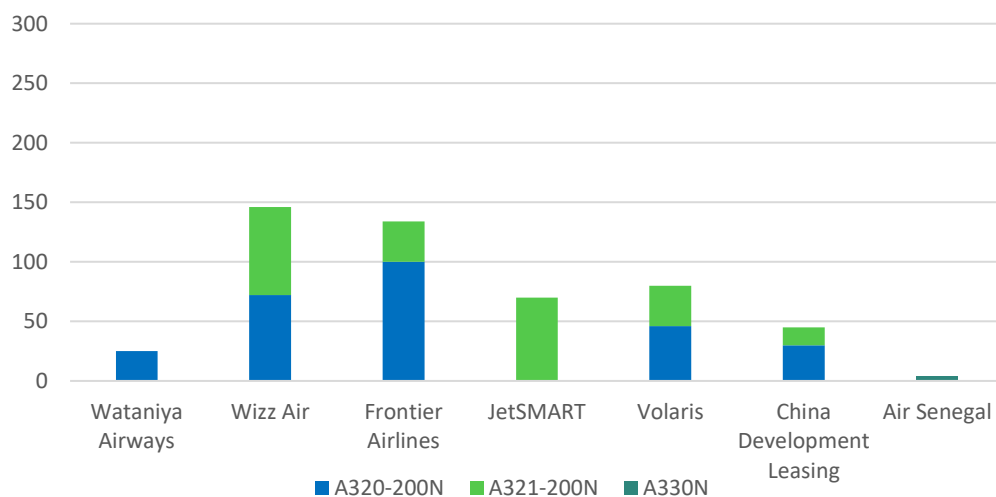
The large number of orders placed by Middle Eastern operators evidences the aviation industry's importance in the overall economic growth of the UAE and its continuation towards diversifying beyond income from its rich oil supply. The Middle East was also responsible for the majority of widebody aircraft orders, with all of their orders involving Boeing aircraft.

## Airbus

Airbus received 45 firm orders and 457 MoUs with two options amongst seven customers, split between the Airbus A320neo, A321neo and A330neo as shown in the graph below. The majority of these orders were derived from operators in the Latin American region (29.8%) followed by Europe & CIS (29.0%) and North America (26.6%). The orders were dominated by the narrowbody variants, where the A320neo and A321neo continued to attract market support as expected; both accruing large orders. The only Airbus order involving widebodies was an MoU for two A330neo variants with two additional purchase options to Air Senegal. Both the Airbus A350 and A380 received no orders, putting additional pressure on the A380 program.

### Geographical Distribution of Total Orders by Manufacturer

\*Includes Firm, MoU and Options

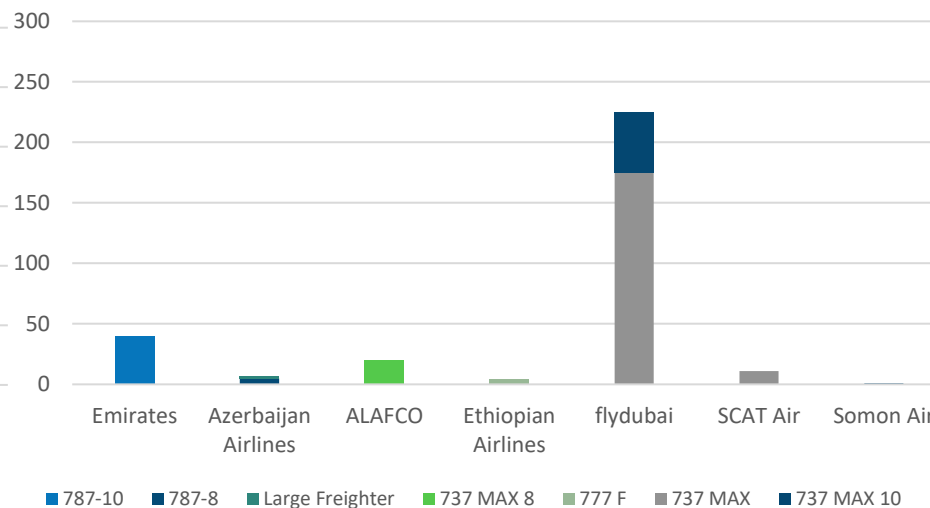


## Boeing

Boeing received 35 firm orders with five options and 218 MoUs, including 50 options amongst five customers, through a combination of both widebody and narrowbody aircraft, as shown in the graph below. The majority of these orders came from Middle East (92.5%) followed by Europe and CIS (6.2%) and Africa (1.3%). The Boeing aircraft orders were also dominated by the narrowbody segment with its 737 MAX family.

### Distribution of Boeing Orders by Customer and Aircraft Type

\*Includes Firm, MoU and Options



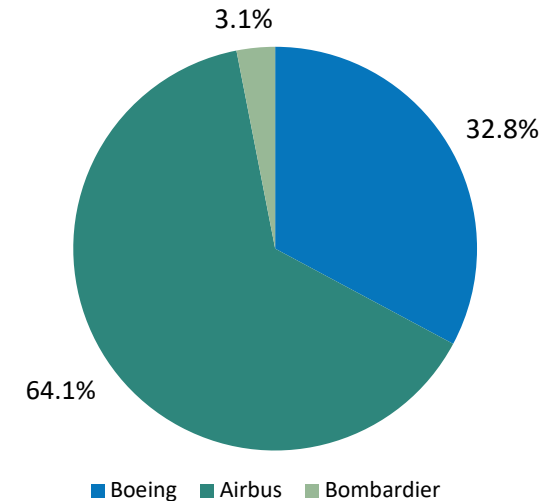
## Airbus Vs Boeing

The opening to the Dubai Air Show 2017 began with a headline order by Emirates Airlines for 40 Boeing 787-10 Dreamliner's - with a list price of approximately US\$15.1 billion. This transaction comes off the back of Emirates Airlines decision to terminate its order contract for 50 A350-900s and 20 A350-1000s earlier this year. This was a major setback for Airbus, who initially planned to revive interest in their Airbus A380 through an order commitment by Emirates Airlines for what was expected to be a similarly sized deal. This was compounded by Sir Tim Clark; President of Emirates Airlines, decision to reject the Airbus A380plus concept, despite having a large order backlog of the standard model. Airbus replied promptly, surprising many, with its largest ever sale of 430 narrowbody aircraft, with a list price of US\$49.5 billion to Indigo Partners a US based investment group with ties to low-cost carriers such as Wizz Air, Frontier Airlines, Volaris and JetSmart.

This year as an overall metric, Airbus accrued more orders than Boeing. By segment, Airbus performed significantly better in the narrowbody segment gaining more neo orders, whilst Boeing performed significantly better in the widebody segment. In terms of geographical distribution Airbus received orders/interest from all continents, whilst Boeing only received orders/interest from the Middle East, Africa and Europe & CIS.

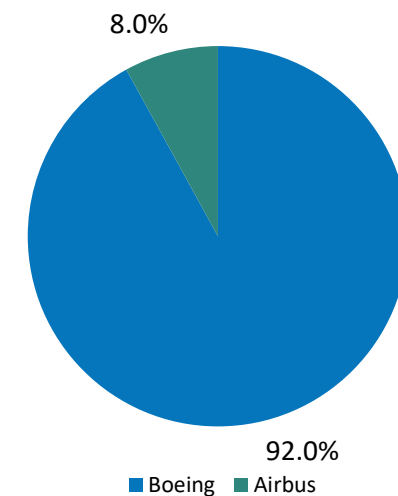
### Narrowbody Orders by Manufacturer

\*Includes Firm, MoU and Options



### Widebody Orders by Manufacturer

\*Includes Firm, MoU and Options



## Bombardier

Despite recent turmoil surrounding the imposition of 300% import tariff on CSeries aircraft, Bombardiers intent to form a partnership with Airbus to ensure the longevity of the CSeries program may already be having an effect on potential customers. This transaction does however remain subject to regulatory approval, as well as other conditions usual in this type of transaction. There are no guarantees that the transaction between both parties will be completed and that the conditions to which it is subject too would be met.

At the Dubai Air Show 2017 Bombardier secured a LoI for 12 CS300 jets, with an additional 12 CS300s on purchase option with Egyptair.

## Regional Jets and Turboprops

The number of regional and turboprop orders were low, accounting for 0.2% of the total orders at this year's Dubai Air Show. Bombardier accounted for all the orders made in this segment with a single order made by Nordic Aviation Capital for two Q400 turboprop aircraft. No announcements were made by Embraer nor by Sukhoi, Comac or MRJ to gain any further market traction in the regional space.

## Order Breakdown Table

Airbus				
Customer	Model	No. Ordered	Order	Options
Air Senegal	A330N	2	MoU	2
China Development Bank Leasing	A320-200N	30	Firm	
China Development Bank Leasing	A321-200N	15	Firm	
Frontier Airlines	A320-200N	100	MoU	
Frontier Airlines	A321-200N	34	MoU	
JetSMART	A321-200N	14	MoU	
JetSMART	A321-200N	56	MoU	
Volaris	A320-200N	46	MoU	
Volaris	A321-200N	34	MoU	
Wataniya Airways	A320-200N	25	MoU	
Wizz Air	A320-200N	72	MoU	
Wizz Air	A321-200N	74	MoU	
Boeing				
Customer	Model	No. Ordered	Order	Options
ALAFCO	737 MAX 8	20	Firm	
Azerbaijan Airlines	787-8	5	Firm	
Emirates	787-10	40	MoU	
Ethiopian Airlines	777-200	4	Firm	
Flydubai	737 MAX	125	MoU	50
Flydubai	737 MAX 10	50	MoU	
SCAT Air	737 MAX	6	Firm	5
Somon Air	787-8	1	MoU	
Bombardier				
Customer	Model	No. Ordered	Order	Options
Egyptair	CS300	12	LOI	12
Nordic Aviation Capital A/S	DHC8-400Q	2	Firm	2

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