# OMAN AIR EYES AIRBUS A350 PLANE PURCHASE

**News / Airlines**



**Oman Air is considering buying Airbus Group SE (AIR.FR) A350 long-range planes amid a turnaround effort aimed at ending years of government handouts.**

The airline may take around 13 A350s from 2020, Chief Executive Paul Gregorowitsch said in an interview Wednesday, with the long-range jets replacing Airbus A330 widebodies currently used by Oman Air on some long-haul routes. The deal would have a list price value of about $4 billion, although airlines typically get hefty discounts.

Oman Air had also considered buying a revamped version of the European planemaker's A330, which features new engines, but the carrier has decided the newer A350 design would be a better long-term option. The planes would augment the dozen Boeing Co. (BA) 787 long-range jets the Middle East carrier plans to operate, along with 45 Boeing single-aisle jets.

Oman Air operates in the shadows of some of the world's most rapidly expanding airlines. Emirates Airline, the world's largest by international traffic, Qatar Airways and Abu Dhabi-based Etihad Airways are among the biggest buyers of Airbus and Boeing planes.

Mr. Gregorowitsch joined Oman Air two years ago with a mandate to shrink the carrier's reliance

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on state aid. The company was receiving about $500 million when he joined and will get about $100 million in government backing this year.

"It is our object by the end of 2017 to have an operational breakeven," he said.

Personnel changes in the government of Oman after the Arab Spring have driven a focus on making the carrier self-sustainable, Mr. Gregorowitsch said. It prompted a radical revamp of the carrier's strategy and streamlining of fleet plans to lower costs, he said.

Oman Air also is teaming up with other companies in areas such as cargo operations and ground handling. A joint venture partner for catering services is currently being selected, Mr. Gregorowitsch said.

One headwind to the company's plan is the slump in oil prices, which Mr. Gregorowitsch said has depressed business class travel. Lower oil prices have also driven Oman Air to seek more transfer traffic to offset domestic weakness.

To help fuel growth, Oman late this year will start operating a new airport, which should be fully operational in 2017. The facility will be able to accommodate 12 million passengers in its initial phase. Oman Air carried 5.6 million passengers last year and should reach 7 million this year, Mr. Gregorowitsch said.

**11 MARCH 2016**

**SOURCE: MARKETWATCH**
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