Boeing Shut Out of Orders Race at Paris Air Show

Emma Vandore, AP Business Writer

LE BOURGET, France (AP) -- Boeing didn't score a single jet order and its competitor Airbus didn't fare that much better on Monday's opening day of the Paris Air Show, where the mood among the world's aviation industry leaders was as damp as the weather.

Worries about the unexplained crash of Air France Flight 447 hung in the air as airlines and plane makers gathered at the 100th anniversary of the world's first and largest air show. Pouring rain at the Le Bourget air field, combined with plunging revenue, layoffs and unprecedented losses in the industry, set the stage for a modest gathering.

While defiant Boeing Co. executives said the overall prospects were robust, the Chicago-based aviation giant reported no new orders Monday. Airbus announced just one, from Qatar Airways, for 24 jets from the A320 family worth $1.9 billion.

At the opening day of the industry's last major show, in Farnborough, England, a year ago, airlines from oil-rich Middle Eastern countries booked orders for about 150 planes worth more than $25 billion.

Gulf-based carriers were among the few pulling out their checkbooks this year.

Qatar Airways' head, Akbar al-Baker, announced firm orders for 20 single-aisle A320s and confirmed a commitment for four A321 jets announced last year at the Farnborough Air Show.

He said the deal announced Monday is worth $1.9 billion, which is about the same as the list price. Airlines, however, usually negotiate steep discounts to catalog prices, particularly during grim economic times.

Boeing warned last week not to expect a flurry of orders. Its defense business is hoping to make up for lagging commercial sales — and weakening U.S. military sales — through rising international exports.

Boeing Integrated Defense Systems (IDS) announced on Monday the launch of a new Unmanned Airborne Systems division, which will group all the company's drone projects to better compete for military contracts.

The formation of the new division reflects the growing interest by various air forces in unmanned aerial vehicles for everything from high-altitude surveillance and coastal patrols to tracking natural disasters.

Boeing's commercial aircraft chief sought Monday to strike a positive tone. "At this point it appears to us that the economic conditions have bottomed," Scott Carson,

president and chief executive of Boeing's commercial aircraft division, said Monday. "If they have bottomed and a recovery comes next year, I think we have a shot at getting through."

Boeing recently cut its outlook for the commercial aircraft market for the first time in at least a decade, which Carson said was mainly driven by the drop in freight traffic due to the global recession.

Carson said long-term prospects for the industry "are as robust as they have ever been."

However, he disappointed hopeful attendees who thought Boeing might spring a surprise first flight of the delayed 787 jetliner during the show. "The airplane will fly when it is completely ready," he said.

Associated Press writers Slobodan Lekic and Laurent Pirot at Le Bourget contributed to this report.

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