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Analysis of today
Assessment of tomorrow

By: Tomorrow's Affairs Staff

Airbus is global leader again - will it remain so in 2023?

Airbus is content to be the world's largest producer of passenger aircrafts for the fourth year in a row. But it is entering a year where it will increasingly see that it is easier to get to the top than to stay there.

"We've enjoyed four consecutive years of leadership, and I look forward to making it five in the coming year", said Saudi Airbus CCO Christian Scherer, confident at the end of last year.

Mr. Scherer has reason to be confident. The industry where his company is world leader spent 2022 recovering from the cataclysm caused by the COVID-19 pandemic. The recovery has been obvious for everyone in the market, but the players are not fully fit yet, and they expect 2023 to return them to full form.

For Airbus, this is reflected in the missed target of 700 aircrafts delivered in 2022. 661 aircrafts were shipped to carriers from Airbus factories. It has been the best result on the market, but still below the company's annual plans.

"Getting things back into order after COVID is taking a lot longer that we thought we could reasonably do", Airbus Chief Executive Guillaume Faury told French reporters earlier.

Disruptions of 2022 remain present in the future

Airbus, like everyone else in the industry, faces problems in supply chain functioning, where suppliers suffered from labour and COVID-19-related issues, resulting in mounting delivery delays.

For the European multinational giant, one of the negative "tails" from the pandemic has been the recent COVID restrictions leading to capacity closures in China, as a major supplier.

Also, there have been disruptions in the energy market, which raised input prices, due to Russian aggression against Ukraine. Airbus has recorded the loss of the Russian market as a negative consequence from last year, because of the sanctions imposed.

Most of these disruptive factors will remain present in Airbus' business this year as well. Some will be mitigated, but the true extent is unknown. Supply stabilisation from China, after the recent lifting of the long-term lockdown, being one disruptive factor.

"There is an enormous problem in bringing the industrial supply chain back to strength worldwide in the aviation world, but not only in aviation", said Airbus' CEO.

Challenges that apply only to Airbus

In addition to disruptive factors, which affect the entire industry and which Airbus will not be able to avoid, there are also several "exclusive" ones.

In mid-2023, the Company is expected to face rather unpredictable legal proceedings against Qatar Airways, the outcome of which may affect full year business. Whether positively or negatively, this will depend on the court's decision.

In January 2021, Qatar Airways reported damage to one of its A350s. They claimed that surface cracks were caused in the course of the manufacturing process, which Airbus denies. This case has escalated, and has already resulted in the cancellation of an order of 19 A350-1000s by the Qatari carrier.

The lawsuit is worth at least 1.4 billion USD, which would be a huge financial hit for Airbus, but its reputation is also at stake if it turns out that Airbus delivered a defective product.

Qatar Airways is no ordinary Airbus customer. It has been an important and loyal customer so far. It was the first to introduce the newest Airbus model, the A350, into its fleet back in 2015.

Competition is recovering

2023 will be different for Airbus' ambitions than the previous four, because of the recovery of its main (and only) global competitor: Boeing.

Forecasts say that this year, Boeing will significantly overcome one of its biggest problems, the placement of the 737-MAX model, following its halt due to two catastrophic accidents.

This recovery will take place in the medium-range narrow body aircraft market, where the two global rivals have been fighting their biggest battle. In that fight, the licensing of its new fuel tank design for the A321 XLR model, for which Airbus has very high commercial ambitions, will be very important.

The first deliveries of this aircraft are scheduled for the beginning of 2024, but the dynamic will largely depend on the new decisions of regulators in the US and Europe.

Airbus will head off these problems by continuing its innovative projects that reduce carbon dioxide emissions by using alternative fuels. These projects will continue in 2023, as Airbus has stepped up efforts to obtain permits for a large number of its solutions to operate on 100% sustainable aviation fuel (SAF).

The Company will also conduct a series of tests on novel propulsion, including hydrogen and electric, and supporting technologies such as cryogenic superconductors in collaboration with CERN.