

# Court upholds Airbus cancellation of Qatar A321neo order

Hugh Davies

27/04/2022

A UK High court judge has denied Qatar Airways' request for Airbus to adhere to an Airbus A321neo contract that the manufacturer has annulled.

Thus the court has allowed the European manufacturer to market the aircraft to other carriers while the two companies continue to disagree over the safety of the A350.

In late March, Airbus said it could "lawfully and validly" terminate an order for 50 A321neos with Qatar Airways (QTR) in response to the carrier's refusal to accept further A350 deliveries in a separate dispute over damage to the surface of the widebodies.

The two contracts are linked by a "cross-default provision", Airbus said in a filing, which enables it to terminate all or part of any aircraft specific purchase agreement (ASPA) if Qatar Airways is "in default of its obligations as to payment for, and/or taking delivery of, aircraft under another aircraft purchase agreement".

Airbus has argued the carrier has raised invalid safety concerns to avoid taking deliveries during the Covid-19 pandemic.

Qatar Airways rejected an Airbus counterclaim that the airline can source aircraft elsewhere to cover a gap in fleet capacity left by the cancellation of its A321neo contract.

The carrier argued that it suffered damages due to the manufacturer's failure to manufacture or deliver A321neo aircraft, an accusation Airbus denies.

"The A321 Neo Aircraft is substantially similar to other aircraft in the A320 family (including those which QTR already operates) and there are other aircraft available on the market from other manufacturers, such as Boeing, which could be used to fulfil the same or similar functions as the A321 Neo Aircraft," Airbus said in a filing.

Shortly after Airbus issued a termination notice for the A321neo, Qatar Airways [signed a memorandum of understanding for up to 50 of Boeing's competing 737 Max 10 aircraft](#). The MoU covers 25 firm orders and purchase rights for 25 additional units.

"The Boeing 737 Max is comparable to and could therefore replace the A321 Neo Aircraft which Airbus had previously been due to deliver to QTR under the Neo ASPA," Airbus continued.

"Even if QTR did need to source additional capacity to satisfy demand before the Boeing 737 Max are delivered, it could readily do so by entering into aircraft leases with lessors who have unplaced aircraft, including new aircraft that they have contracted to purchase for future delivery," the company added.

Commencement of Qatar Airways' A321neo deliveries was postponed to February 2023 from 2019 at Qatar Airways' request, Airbus noted.

Qatar Airways denied the Max order was in response to the A321neo cancellation and in any case rejects that the Boeing Max aircraft are suitable alternatives to the A321neo and/or the A321LR ordered by the airline.

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