

## How did airbus become successful in the aviation industry?

Questions/Key Points	Notes
<p>Airbus primarily started when Europeans wanted to be competitive in an aviation market that was dominated by the US.</p> <p>Government and EU funding played a large role in how Airbus became substantial in the aviation industry. The US did little to fight back against Airbus.</p>	<ul style="list-style-type: none"> <li>● Foundations               <ul style="list-style-type: none"> <li>○ <a href="https://www.airbus.com/company/history.html">https://www.airbus.com/company/history.html</a></li> <li>○ Before it was incorporated, was involved with helicopters (they still make helicopters today)</li> <li>○ A300 program launched in 1969                   <ul style="list-style-type: none"> <li>■ Wanted to create a European aircraft that could be competitive against US market; one less engine on the A300 means that it could have been more economical for airlines to operate</li> <li>■ Widely accepted that 3 engines were required for safety, esp when flying long distances or over water.</li> <li>■ A300 was a widebody aircraft in the same market as the DC-10 or L1011</li> <li>■ A300 was a collaborative project b/w France, Germany and Britain. Airbus the company had not been founded yet at this point.</li> </ul> </li> <li>○ In 1970, Airbus Industrie was created, split between the UK, France, Germany, Spain. They worked on the A300B, a more economical version of the original A300 proposal. The A300 was actually the first twin engine widebody in the world.</li> <li>○ Airbus was/is also involved in the defense and space industry</li> </ul> </li> <li>● Airbus vs. Boeing               <ul style="list-style-type: none"> <li>○ <a href="https://www.jstor.org/stable/20202765">https://www.jstor.org/stable/20202765</a></li> <li>○ When Airbus entered the aviation industry, it was during the Cold War; all of the commercial aircraft were being manufactured by American and Soviet companies</li> <li>○ Why did Airbus become so successful?                   <ul style="list-style-type: none"> <li>■ Traditional explanations focus on industrial policy in Europe</li> <li>■ However, there was a lot of political influence that also drove the development of Airbus; especially in terms of resources and materials</li> <li>■ Individually, none of the member states could compete in the US market but collectively, they were very effective</li> <li>■ The European industry was weak; people and leaders from Euro countries were afraid that MD, Boeing, and Lockheed would completely dominate the industry.</li> <li>■ Concorde was the first attempt at fighting against US industry; Euro companies blamed US for its failure b/c they restricted landing rights of Concorde</li> <li>■ Airbus was able to get its foot in the door by selling A300s to Eastern in 1976</li> <li>■ US wasn't quite willing to fight a trade war with Europe over Airbus, though they were upset with EU support</li> </ul> </li> <li>○ <a href="https://www.jstor.org/stable/24898518">https://www.jstor.org/stable/24898518</a></li> <li>○ Britain was in an interesting position in the 1980s - sort of caught between Airbus and Boeing.                   <ul style="list-style-type: none"> <li>■ This seems like an interesting geopolitical situation as well. Britain is part of Europe but also not quite - separated by water. Britain</li> </ul> </li> </ul> </li> </ul>

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Is the A220 controversy another reflection of how Boeing's corporate culture has gone to complete shit?

The A380 ultimately failed because of economics.

- wanted to support its European aviation industry (Airbus) but also faced good business deals with Boeing
  - They eventually were able to find a middle ground that benefitted Boeing, Airbus, and the UK. BA bought 757s, Rolls Royce made engines for the 757, and British Aerospace joined the Airbus Group
- A220/C-Series
  - <https://www.thedailybeast.com/how-boeing-tried-to-kill-a-great-airplaneand-got-outplayed>
  - A watered down version of the story:
    - Bombardier develops the C Series, an RJ
    - It's a great plane. Very economical, passengers love it, airlines love it, pilots like it too
    - Unfortunately, Bombardier went way over budget and faced a bunch of issues during development and production. Bombardier is a struggling company at this point.
    - Delta orders 75 CS100s
    - Boeing loses their mind, tries to sue Bombardier for selling the aircraft at less than production cost ("dumping")
    - The US government, as a result of Boeing's lobbying, puts a huge tax on the aircraft's American sales. In other words, they tried to destroy Bombardier
    - Airbus buys 51% of the C Series program
    - Rebrands the C Series as the A220
    - Outcome: Airbus now has a regional jet, and Boeing doesn't.
  - People often argue about whether it should be called the A220 or C Series
- A380
  - <https://www.bbc.com/news/business-47225789>
  - Airbus needed an aircraft to compete with the 747
  - At the time, most airlines still believed in the Hub and Spoke model and not the point-to-point model
  - Came up with the A3XX program, which became the A380
  - Airbus fell far short of its goal for the number of orders
  - Problems with the A380
    - It's very expensive, more so than other airplanes
    - It uses a lot of fuel, especially with 4 engines
    - Because it's such a large aircraft, airlines often end up struggling to fill enough seats per flight to make it profitable
  - Airlines are increasingly going for the Point to Point model; which is especially true after COVID-19 when it's necessary to scrutinize every route to determine which ones are worth operating or not
- Other random stuff
  - Chronological order in which airbus jets come: A300, A310, A319/20/21, A340, A330, A380, A318, A350, A320neo, A330neo, then A220 (kinda)

Essential Question:

8 February 2021

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#### Summary

Airbus entered the aviation industry at a notably difficult time, in the midst of the Cold War and a market dominated by US manufacturers. With some help and cooperation, Airbus was able to become one of the two leading aircraft manufacturers today. While they made some mistakes (particularly with the A380), they have had success overall.