

## AVIATION

# Nok Air signs \$1.45bn deal with Boeing

**BOONSONG KOSITCHOTETHANA**

Nok Air has sealed a firm order with Boeing for 15 new B737 single-aisle jets worth a combined US\$1.45 billion at list prices, the boldest fleet renewal in the budget carrier's 10-year history.

The deal solidifies the commitment first announced by both parties at the Singapore Air Show in February for eight B737 Next Generation and seven B737 MAX jets.

The agreement will make Nok Air the first Thai airline to operate the 737 MAX, scheduled to be introduced by Boeing in 2017.

The 737 family of aircraft has become the first civil jet to surpass the 10,000-order milestone, with 11,831 sold as of April 30.

The SET-listed carrier now operates a fleet of 15 B737NGs leased from a third party; this contract will mark its first direct order with the US aeroplane maker.

However, Nok Air is still working out financing for the new B737s, and several options are available.

They include funding by the Export-Import Bank of the US and finance leasing, an arrangement in which Nok Air would effectively own the aircraft.

Christopher Flint, Boeing's sales director for Asia-Pacific, yesterday said aircraft financing firms seemed unconcerned about funding Nok Air's B737 fleet order.

Aircraft financing decisions are typically



**Christopher Flint (left), Boeing's sales director for Asia-Pacific, and Piya Yodmani, deputy chief executive of Nok Air, pose with a model of the B737 MAX.**

made close to the aircraft delivery date, and in some cases talks do not even begin until a year before delivery, he said.

A Nok Air executive said the airline would take delivery of the eight B737NGs from 2015-17, with the first one scheduled to start service in August 2015.

Nok Air intends to swap one of the B737NGs for a B737 MAX at a later date,

raising the number of the airline's MAX fleet to eight.

The eight 737 MAXs are due for delivery from 2018-19, four per year.

Nok Air's new fleet of B737s will all come with only one class. The B737NGs will have a 189-seat configuration, while the MAX versions will have up to 200.

However, the US aeroplane maker is

considering a MAX X version with an extra 12 seats.

This could be achieved by adding more emergency exits to the plane to satisfy safety regulatory requirements, say Boeing executives.

Nok Air is the 41st global buyer of the B737 MAX, which has so far clocked 2,017 orders from 40 customers.

The B737 MAX, distinguished by a new engine style and large winglets, is due to enter service in 2017, with the Texas-based Southwest Airlines scheduled to become the first carrier flying it.

Boeing said the B737 MAX contains the most advanced engine technology, featuring improved fuel efficiency, an enhanced range and quieter operation.

As of April 30, Boeing had sold 6,719 B737NGs, the first of which was delivered in December 1997.

Meanwhile, George Alabi, Boeing's regional director for product marketing, said Southeast Asia would need 3,080 new commercial jet aircraft valued at US\$450 billion over the next two decades.

The bulk of the demand will be for single-aisle aeroplanes such as the B737 or Airbus 320, with a projected 2,160 worth a combined \$210 billion, he said.

Mr Flint added that Boeing was pursuing more aeroplane orders from Indonesia's Lion Air as well as targeting start-ups in Southeast Asia, particularly Myanmar.