

Singapore's Tiger Airways orders Airbus jets valued at US\$3.8 billion
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Singapore's Tiger Airways Holdings Ltd has placed an order for 37 Airbus A320neo aircraft valued at US\$3.8 billion (RM12.57 billion) at list prices, taking delivery of the planes from 2018 to 2025, the carrier said in a statement today.

Tiger said an existing order for nine Airbus A320 aircraft, part of a larger order agreed in 2007, will now be cancelled. These aircraft were originally scheduled for delivery in 2014 and 2015.

The long-term fleet renewal and expansion comes as Tiger, which is about 40%-owned by Singapore Airlines Ltd, takes steps to try to prevent a third straight year of losses. In January it sold its Tigerair Philippines business to Cebu Pacific, the archipelago's biggest airline, cutting its losses in a market where a sharp increase in available seats pushed down ticket prices.

"We have re-calibrated our strategy and taken the necessary steps to re-position Tigerair," Tiger chief executive Koay Peng Yen said in the company's statement. "This deal effectively dissipates some concerns over a potential capacity overhang in the next couple of years."

Tiger said the negotiated price for the new order was "significantly lower" than the list price. The jets will be powered by engines from Pratt & Whitney. – Reuters, March 24, 2014.

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