

A \$50 Billion Deal and Bribery Allegations for Airbus

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It's a bird, it's a plane! No it's... Wait, that's right! [Airbus SE](#) ("Airbus") does make planes. Just as [Boeing](#) reported its \$20 billion dollar deal, [Airbus announced its \\$50 billion deal](#) at the 2017 [Dubai Air Show](#). The Dubai Airshow is an aerospace convention featuring aerospace exhibitors, trade visitors, and a platform for business and governmental firms to negotiate the sale and acquisition of aircraft. The mastermind behind the \$50 billion Airbus deal is [John Leachy](#). He is not a household name yet, but that may change soon. The agreement consists of the sale of 430 A320neo jets with U.S. investor [Indigo Partners](#). And in a time when there is great uncertainty about critical U.S. issues, business is clearly thriving. Currently, Airbus wants to build a new assembly plant in Mobile, Alabama.

The A320neo (new engine option) is a new advanced and fuel-efficient single engine plane. Narrow body planes, like the A320neo, are the "work horses" of global air travel. The work load for the planes are set to increase and account for 73% of [air travel demand](#) by 2036. Will people be flying more by 2036? Will the price of air travel increase by 2036? Will more people be flying and the price of air travel increase by 2036? All of these questions are up for debate. Nevertheless, of the 430 orders, [Wizz Air Holdings](#) ordered 146, Frontier Airlines ordered 134, Volaris ordered 80, and JetSmart ordered 70. Clearly, these companies are preparing for a shift in the atmosphere.

Despite the \$50 billion deal, Airbus CEO [Tom Enders](#) is currently dealing with [bribery allegations](#) as well. Airbus is engaged in internal and external investigations following government agency investigations and proactive reports of issues they caught themselves involving millions of dollars in bribes to government officials. Fraud, bribery, and corruption charges currently loom in UK, France, Austria, and Germany. The investigations [could also make their way to U.S. courts](#). Germany is focusing on Airbus's civil aircraft sector, which is Airbus's leader in sales and profit. Prosecutors in Munich have confirmed they will be pressing charges against some of the Airbus managers soon. France is focusing on Airbus's helicopter sector. Sanctioned fines could reach the billions in monetary value and the reputational damages would be devastating in this [new global era](#) where illegal corporate activity is strongly condemned.

In this new global era, business ethics is critical. And with the constant evolution of globalization, ethical violations could spread across the globe. A company's reputation is as important as sales and profit. Only time will tell if all of this will end favorably for Airbus.