

The Airbus Beluga

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The A300-600, known as the Beluga, is a modified Airbus aircraft used for the transport of large payloads. Its creation follows the needs of a company with geographically dispersed production facilities: Although the Airbus assembly plants are located in Toulouse and Hamburg, major parts (including wings and landing gear) are manufactured in Airbus consortium plants located in Spain, Britain, and Germany.

The Beluga is able to carry as much as 1,400 cubic meters, weighing as much as 45 tons, for more than 1,029 miles, flying at approximately the same speed as a normal jetliner. Although some cargo planes are able to carry heavier loads, the Beluga is number one when it comes to size. Recent loads include United Nations helicopters, sections of the International Space Station, and a collection of 17th-century paintings in an environmentally controlled container the size of a small house.

According to a recent news release, Airbus expects to have extra Beluga capacity in the next two years. A fifth plane was recently added to the fleet and aircraft production is not expected to pick up in the immediate future. Airbus has therefore decided to lease space on the Beluga. A commercial subsidiary, Airbus Transport International SNC, was set up to handle this business.

Questions for Analysis

Suppose the Beluga cost x in development costs (additional to those of the A300) and y in production costs (per plane, on average). Leasing of a Beluga yields an average of z per year. How would you use this information to determine the cost of an Airbus jetliner? When, if ever, should Airbus decide to build additional Belugas?

Additional Information Sources

Airbus Transport International web site: <http://www.airbutransport.com/>

Notes

David Backus and Luís Cabral prepared this case for the purpose of class discussion rather than to illustrate either effective or ineffective handling of an administrative situation. © 2001 David Backus and Luís Cabral.

Exhibit 1. The Airbus A300-600, also known as Beluga.

