

A300B2/B4 values & aftermarket activity

Values and lease rates of A300B2/B4s are low. The aircraft fills a niche role, however, and supply will remain tight.

The A300B2/B4 fleet is divided into passenger-configured aircraft and freighter variants. The A300B2/B4 is dwindling in popularity as a passenger aircraft, except in the case of a few Turkish charter carriers, such as MNG Airlines, Fly Air, Onur Air and Saga Airlines. MNG Airlines, for example, is in the process of acquiring a passenger-configured unit to add to its fleet of three.

The remaining major passenger-configured fleets are those operated by Japan Airlines Domestic, Iran Air, Mahan Air and Ariana. The fleet operated by Pakistan International Airlines has been dispersed, and besides a few aircraft acquired in small numbers by Turkish charter carriers, the popularity of passenger-configured aircraft is low.

Monthly lease rates for passenger-configured aircraft are in the region of \$45,000-75,000 per month. At utilisations of 2,000-2,500 flight hours (FH) per year, this makes the aircraft the most economic in its size class.

The A300B4F has become established as a niche freighter. It has a payload of about 45 tons, and has no competitors that are available at similar lease rates.

The aircraft is owned by several freight carriers and, with no direct alternative available, they are likely to hold on to it.

The A300B4's Achilles' heel is its engine maintenance costs. On low utilisation and short average flight cycle operations, the CF6-50C2 has maintenance reserves exceeding \$700 per engine flight hour (EFH). The engine has maintenance reserves lower than \$300 per EFH if average cycle time is 2.5-3.0 flight hours (FH).

The maintenance costs and values of CF6-50C2s affect the A300B4's market values. These engines have been in temporarily high supply in recent years, following the retirement and teardown of large numbers of DC-10-30s and A300B2/B4s. This resulted in CF6-50C2 values dropping to levels less than \$1 million. The consequence of this was that many operators were buying time-continued engines in the aftermarket as an alternative to putting engines through shop visits at a higher cost of \$1.5-1.8 million.

This practice has led to a shortage of CF6-50C2s on the market, with the consequence that values have increased again and it is now cheaper for operators

to put engines through shop visits. Values of freshly overhauled CF6-50C2s are in the region of \$2 million, although the market is sensitive to fluctuations in supply and demand.

Aircraft with half-life engines are estimated to have a market value of \$5.0-5.5 million, with the two engines accounting for most of the value.

Maintenance reserves for engines operated on short cycle operations are in the region of \$700 per EFH, and the cost of the two engines can exceed \$1,500 and also account for about half of the aircraft's maintenance costs (see *A300B2/B4 maintenance analysis, page 18*).

These maintenance costs form a large portion of operating costs, and have to be considered in relation to low rates of utilisation and overall economics. Monthly lease rates for freighters are \$110,000-125,000.

Another main difficulty with the A300B2/B4 has been the plethora of different modifications it has required. Avionics modifications required on most aircraft have cost up to \$750,000 per aircraft, costs that have been incurred over a concentrated period in recent years. There are also three major structural inspections that can incur high costs. It has therefore been a challenge for many operators to keep the aircraft in service.

During conversion to freighter, most aircraft were bridged to a low utilisation maintenance programme. This is based on a cycle of four C checks with a 24-month interval, so lasting eight years. Converted aircraft would have had their maintenance cycles zeroed at conversion. Conversions were performed on aircraft that were 12-20 years old.

The consequence of this is that most of the 74 converted aircraft that remain in service will have completed their first full base maintenance cycle. Aircraft will be 20-30 years old.

The cost of the fourth heavy check at the end of each base maintenance cycle will influence fleet plans. The cost of the fourth check at the end of the second cycle is likely to force most aircraft into retirement, since it will be too high for aircraft that have then reached an age of 28-38 years. By this time the supply of alternative freighters should have come onto the market at lease rates that make them economic alternatives to the A300B4F. [AC](#)



A large portion of A300B4Fs are owned and will be retained by their owners, keeping supply tight. The only major trading market for A300B2/B4s is in Turkey, where about one third of the active fleet now operates. MNG Airlines has acquired two more for operations, and a further two to dismantle for parts.