Vietnam Airlines Signs Agreement for Boeing 777 Jetliners

Vietnam Airlines, the national airline of the Socialist Republic of Vietnam, today signed a Letter of Intent to purchase up to three long-range Boeing 777-200ER (extended range) jetliners. The value of the order, when finalized, is estimated to be $480 million at list prices.

Vietnam Minister of Finance, Nguyen Sinh Hung and U.S. Secretary of Commerce Norman Mineta, witnessed the signing of the agreement between Vietnam Airlines and The Boeing Company during a ceremony held in Hanoi as part of President Clinton's visit to Vietnam. Clinton is the first U.S. president to visit Vietnam in the last 30 years. The agreement is the first step towards contract and configuration discussions between Boeing and Vietnam Airlines.

The ceremony also was attended by Nguyen Tien Sam, director general - Authority of Civil Aviation of Vietnam (CAAV); Michael Frisby, U.S. counselor for Commercial Affairs to Vietnam; Nguyen Xuan Hien, president and CEO - Vietnam Airlines; Ray Bracy, vice president - Boeing Commercial Airplanes; Christopher Flint, Asia/Pacific sales director - Boeing Commercial Airplanes; and other officials representing the airline, Boeing and the U.S. Department of Commerce.

"We welcome this opportunity to bring our countries closer together," Frisby said. "Boeing has been active in Vietnam since the lifting of the trade embargo in 1994, and this is another important step in Vietnam - U.S. relations."

Trade relations between Vietnam and the United States have improved significantly over recent months. In July, the two nations signed a landmark trade agreement that would establish normal trading relations. Administration officials have indicated that they would seek approval by the U.S. Congress early next year.

"We look forward to further developing our working relationship with Vietnam Airlines as we proceed into a new trade era between our two countries," Bracy said. "As tourism and trade increase in Vietnam, we anticipate becoming an integral part of enhancing the economy and status of this wonderful country."

Vietnam Airlines recently renewed the leases on three 767-300s that have been in operation since 1995, connecting Vietnam with destinations that include Singapore, Manila, Kuala Lumpur, Hong Kong, Paris, Taipei, Kaohsiung, Seoul, Osaka, Sydney and Melbourne. One additional leased 767-300 will join Vietnam Airlines' growing 767 twin-aisle jetliner fleet in the near future.

"We greatly anticipate the opportunity to operate the Boeing 777," said Nguyen Xuan Hien. "The 767-300 has allowed Vietnam Airlines to develop a very good route structure that will be further improved by the long range of the 777-200ER. In addition, the 777 will introduce the Vietnam flying public to a new level of comfort."

The Boeing 777-200ER is an ideal airplane for Vietnam Airlines to take advantage of the increasing pace of liberalization and globalization in the airline industry.

The Boeing 777 worldwide fleet, consisting of more than 300 airplanes, has flown a total of 2.4 million hours, with each airplane flying an average of more than 10 hours per day. With this rigorous workout, the fleet has achieved an impressive schedule reliability rate of more than 99 percent - the best in its class. This is an unprecedented rate for an airplane of this size and complexity at this point in its commercial service.

In addition to working with Vietnam Airlines on its fleet requirements, Boeing has worked closely with various non-profit organizations to better the lives of those in Vietnam. In recent months, Boeing employees, concerned about Mekong River floods, contributed more than $70,000 to a special disaster relief fund established through their Boeing Employees Community Fund. With matching dollars from Boeing, the company and employees are together contributing $140,000 to help the people of Vietnam and other countries in Southeast Asia.

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