

Icelandair and Airbus sign agreement for up to 25 A321XLR aircraft



The airline will eventually retire and replace their 757 with the 25 A321XLR

[Icelandair](#) has signed a Memorandum of Understanding with [Airbus](#) for the purchase of 13 A321XLR aircraft along with the purchase rights for 12 additional aircraft, with deliveries beginning in 2029.

In the meantime, however, the airline plans to start operating Airbus aircraft in 2025 and is currently in the advanced stage of negotiations in relation to four leased A321LR for that purpose — with further additions to be expected in the coming years. With the acquisition of the Airbus aircraft, Icelandair will complete the replacement of the 757.

In an April 4 press release, Bogi Nils Bogason, President & CEO of Icelandair, said, “The Boeing 757 has been the cornerstone of Icelandair’s operations since 1990. Its unique capabilities have underpinned the successful development of our extensive route network and competitive transatlantic hub by leveraging Iceland’s unique geographical location to connect North America and Europe via Iceland. The excellent Airbus aircraft will not only allow us to further develop our proven business model around transatlantic flights but also open opportunities for future growth by entering new and exciting markets.”

The financing of the aircraft is yet to be determined but the company is exploring financing options closer to the delivery dates. The purchase price of the 13 aircraft remains confidential.

The A320neo family of narrow-body aircraft, which includes A321XLR and A321LR, provides excellent range, fuel efficiency and lower carbon emissions. The addition of the aircraft will not only reduce operating costs but also further support Icelandair’s sustainability targets. With around 190 seats in Icelandair’s layout, the aircraft will provide greater passenger capacity compared to the 757-200, which only has 183.

The A321XLR aircraft has a range of up to 4,700 nautical miles (8,700 km), making it suitable for long-range destinations and providing opportunities for the airline to enter new markets. Meanwhile, the A321LR aircraft has a range of up to 4,000 nautical miles (7,400 km) and will be able to service Icelandair's current route network.

Until 2025, Icelandair will continue to operate a full Boeing fleet but following the first deliveries from Airbus, the company will operate a mixed fleet of Airbus and Boeing aircraft.