By JON OSTROWER

Airbus on Tuesday accused Boeing Co. of trying to start a price war after the U.S. company pledged to work aggressively to regain a 50% share of the market for new, more fuel-efficient single-aisle planes.

The new Boeing 737 Max plane is competing with the Airbus A320neo aircraft, yet-to-fly replacements for the companies' best-selling planes. Boeing executives said at their annual investor day that they aimed to regain parity in the market within a year at the latest after losing ground to Airbus.

"There they go again. Starting another price war to try to maintain 50% market share," John Leahy, Airbus' chief operating officer for customers, told The Wall Street Journal after the Boeing event.

"Can't they see that the natural market equilibrium is 60 to 40 in favor of Airbus on the single-aisle and probably the same in favor of Boeing in the wide-body market until the [Airbus] A350 arrives."

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Boeing declined to comment on the remarks from Mr. Leahy at Airbus.

The U.S. company lags its rival in orders for the new jets, which feature more fuel-efficient engines and other improvements. Boeing holds more than 1,000 orders and commitments and has converted 415 to firm orders. Airbus has won more than 1,300 firm orders for the A320neo.

"We're 48% they're 52%, pretty darn close to 50-50. We get paid a premium for our airplane, we like that," said Mr. Albaugh, adding that Boeing aims to catch up with A320neo sales and secure parity with the 737 Max by the end of 2012 or mid-2013.

"We are not going to let Airbus position themselves where they have a disproportionate amount of the market share."

He said the emergence of launch pricing—extra discounts to prime future sales—was something the company was handling, and would not lead to lower margins at the commercial aircraft unit, which accounts for more than half of company sales.

Boeing launched its 737 Max several months after the Airbus, dropping plans for an all-new aircraft, and the plane is due to be delivered to its first customer in 2017.
The keen competition reflects the extensiveness of the changes required to each aircraft to achieve the desired efficiency gains. Airbus is wielding their minimum-change A320neo against the comparatively more extensive and costlier changes on the 737 Max, said a report from Bernstein Research earlier this year, claims Boeing has disputed.

The U.S. company has over the past year seen some previously loyal customers—notably AMR Corp. and Norwegian Air Shuttle order Airbus planes alongside new deals for Boeing.

Mr. Albaugh said he is aware of the push by Airbus into Boeing's traditional customer base: "It hasn't been lost on us that we need to play in their sandbox too," he said.

He said Boeing needs to keep Airbus from achieving a dominant market share, adding that the European company would gain pricing power in the single-aisle market if it was able to boost its take to 80%.

Airbus is a unit of European Aeronautic Defence & Space Co. EADS N.V., which reports first-quarter earnings on Wednesday.

Both Airbus and Boeing have secured huge orders for their new single-aisle planes, and are battling over further deals.

"Expect some really significant orders by the end of this year," said Mr. Albaugh.

United-Continental Holdings, parent company of United Airlines, is expected place a significant order for the 737 Max later this year, The Wall Street Journal reported last month; Steve Hazy, the influential head of leasing company Air Lease Corp., said Monday that he is also evaluating the plane, having already committed to buy A320neos.

The 737 Max aims to deliver up to 13% improvement in fuel consumption over its current 737 models, through a new CFM International engine, a joint venture between General Electric Co. and Safran SA, new advanced winglets and aerodynamic modifications to Boeing's best-selling jet.

Airbus has outlined a smaller slate of changes on its A320neo to achieve a 15% improvement in fuel burn over its current offering, requiring fewer modifications to add its own CFM Leap model and the geared turbofan engine from Pratt & Whitney, a unit of United Technologies Corp. —Dan Michaels contributed to this article.

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