

A view from the Ramp

by John Jackson,

In aviation, 1996 will not only be remembered as the year that saw mega-mergers in the United States, the boom return to aircraft orders and the fall of Fokker, but also the year that saw the largest number of both airline accidents, and fatalities, on record.

Industrial consolidation claimed its most famous victims in 1996. Northrop Grumman bought Westinghouse. Raytheon, having already paid a premium for Texas Instrument's defence business, won the bidding war for Hughes Aircraft from General Motors, making them the world leader in the defence electronics business. But the biggest merger of the year was the acquisition of McDonnell Douglas (MDC) by Boeing, (who earlier in the year, acquired Rockwell's defence business) which will create the world's largest maker of military, as well as civil aircraft. Lockheed Martin will remain the top US defence contractor, but Boeing are sure to enhance MDC's position as the prime producer of combat aircraft.

MDC sought a merger partner in October after the loss of the US/UK Joint Strike Fighter (JSF) programme. They bring to Boeing much needed combat aircraft experience and here is where British interest lies. BAe were an unsuccessful partner of the original MDC consortium, but now that both Lockheed Martin and Boeing have won contracts for demonstrator aircraft, and Boeing has purchased MDC, Boeing have made overtures to BAe for potential "JSF partnership" thus offering them a possible way back into this partly UK Government funded programme.

Obviously the effect of the Boeing/MDC merger on Europe's Airbus Industrie in the

commercial market is being keenly debated. Short term the effect is likely to be minimal but once development of the next generation of aircraft begins, then Airbus's options of a US partner, for projects like their A3XX ultra high capacity airliner, would appear to be limited to either Lockheed Martin or Northrop Grumman.

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But Airbus Industrie have greater problems than finding a US partner for their next generation of Aircraft. In 1996, to make Airbus more competitive and better able to fight the emerging U.S. mega-aircraft maker groupings, the partners pledged that by the end of the year they would turn the consortium into a stand alone company that would incorporate the full range of design and development, production, procurement and customer service functions carried out by the existing partners.

Whilst the memorandum was eventually signed on the 13th January this year no firm decision seems to have been made on exactly which assets will be pooled into the new company.

BAe have indicated that they would be willing to pool the whole of their Filton and Chester based Airbus Division, which would involve some 4,000 jobs

employed in the design and assembly of Airbus wings. But if Airbus Industrie are to remain competitive and hold their existing market share, then the stand alone company is going to have to come sooner rather than, as appears at the moment, later.

The failure of Fokker, and the ultimate failure of the Liquidator to sell the aircraft manufacturing division to Samsung Industries of Korea, was another indication of the industry's rationalisation which has been fuelled in the narrowbodied aircraft market by the arrival on the market of well designed and reasonably priced, regional jets from emerging nation manufacturers such as Samsung, who had hoped with their purchase of Fokker to gain a foothold in this market and a springboard to joint ventures in China.

Saudi Arabian Airlines, who have dropped the name Saudia, and launched new livery; still have an interest in buying a regional jet. With the departure of Fokker, who were strong contenders the field is now left to Canada's Bombardier and BAe's four engined AVRO RJ85, for which trials are believed to have gone well, especially on operations in and out of the Kingdom's hot and high feeder airfields from which it would be expected to operate in service.

However on the regional jet no decision is expected in the immediate future, as Saudi Arabian Airlines are having enough problems preparing for their new fleet of MD11, MD90, B777 and B747-400 aircraft, which will start arriving in the second half of this year.

No airline has ever endeavoured to introduce so many new planes into their fleet at one time. To