NEWSMAKER S

FAMILY MATTERS
Jean Pierson, Airbus Industries' charismatic managing director, has piloted the consortium

to a 30% share of world airliner orders, making it second only to Boeing,

and is looking for a 40% share within the next 15 years.

way, says
"that we're

CC' | 'here is no
A. Jean Pierson
going to field an aircraft that is
too close to the competitiveness
of the Boeing 747. It has to be
at least 15% better on direct
operating cost. We have in
mind the improvements they
will make to the 747 by the year
2000...our obligation is to offer
something to the market that is
far better than that."
For the first time in a new
aircraft study, Airbus has as-
sembled four pre-project teams
from its partners Aerospatiale,
Deutsche Aerospace (DASA),
British Aerospace and CASA.
"We're starting to organise a
competition among them to de-
fine the configuration of a 600-
seater. Within a year we'll have
a presentation of the four pro-
jects to our board. We may
select one from that, but my
view is that we should choose
two," states Pierson. If, how-
ever, the pre-projects do not
yield an aircraft that is suffi-
ciently competitive with the
747, "...we'll start again."
Assuming they do, each pre-
project will be refined, "...so
that in 1993 we can freeze the
project and prepare for a launch
in 1996/7". Airbus will then
start looking for risk-sharing
partners for the programme,
which Pierson estimates will
cost "about $4 billion".
The "Super Airbus" is in-
tended to cover the high-
capacity end of the market. At
the 130-seat end, Pierson is
adamant that Airbus has a right
to offer its own aircraft (Flight
International, 8-14 May), a
shortened derivative of the
A320, as part of the A320 "fam-
ily". Pierson says: "We've been
requested by the Airbus board
to do this study".
Launch will come towards
the end of this year "...but only

through NASA, the Department
of Transportation, and defence
research spin-offs.
"In exchange we would like
total transparency in the indi-
rect support which the US
manufacturer s receive...be-
tween 1978 and 1987 we es-
timate that Boeing and McDon-
nell Douglas received some $23
billion of indirect support. The
•• I^IBH^ B US taxpayer
contribute s
more to the US
aeronautical in-
dustr y than
does his Euro-
pean counter-
part," claims Pi-
erson.

Pierson fa-
vours the US
system of prime
contractorship,
with specific
contracts given
to subcontrac-
tors, as "a sim-
ple, efficient
method of man-
agement". The
G1E (Groupe-
ment d'lnteret
Ec onomique)
system used by
Airbus has
many advan-
more than 400 tages for the
aircraft in these JeOM PieYSOfl, AirbllS consortium, in-two airlines," eluding a good he adds. M B IWWB M i i ^

if there is a sufficient market. If
the case is good, we will have to
proceed." Development costs of
around S300 million make the
A319, as it is called, a "much
better business proposition"
than the brand-new 130-seat
regional aircraft which DASA
wants to build.
"I believe we could sell up to
2,000 aircraft in the A320, A321
and A319 fam- Hi^Mli^M H
ily," says Pier-
son. "It's a feel-
ing inside
me...we really
do have the
right aircraft.
Today, with the
A320, we have
achieved the
same despatch
reliability as it
took with the
A310 and
A300-600 in
eight years."
American and
Delta are look-
ing for replace-
ments for their
fleets of short-
to medium -
range airliners.
"We'll be a very
serious compet-
itor. There are

"Our aim is to

finance our future

programmes from
in-house funds"

Pierson outlines the position
with respect to the GATT trade-
code negotiations — and the
intense disagreement with the
USA over the source of funding
of new civil aircraft program-
mes. The current European po-
sition is that Airbus is willing to
limit direct Government sup-
port for new programmes to
45%, but only if the USA pro-
vides details of its own Govern-
ment-to-industr y funding

bank finance
rate, and a means of closing the
gap between partner companies
and a consortium. "I'm not say-
ing we'll stay with GIE for-
ever...but it for the moment it is
the best way," says Pierson.
Airbus recorded its first oper-
ating profit in 1990 (about $100
million), "...because internally
we've made improvements on
the costing side and externally
we've improved our sales in
terms of quantity and price

paid". Profits are spread among
the Airbus partners. Pierson
points out: "When we declare a
profit, that includes reimburse-
ment to the Governments. Con-
trary to what a number of our
detractors believe, they were not
free handouts."
In 1990, Airbus repaid half a
billion dollars of launch aid to
partner companies, says Pier-
son. "This year it will be be-
tween 50% and 70% higher,
depending on deliveries". The
A3 21 programme is being fi-
nanced totally by Airbus. "Our
aim is to finance our future
programmes from in-house
funds." He will not commit to
the funding method for the
600/700-seater, however, say-
ing: "It depends on the situation
of Airbus in 1997. If our share-
holders are in good shape
in 1997, then Airbus is in
good shape."
Airbus, which has an order
backlog of some 1,000 aircraft,
says it is making "considerable
efforts" to adjust to the difficul-
ties some of its airline custom-
ers are facing, and there have
been requests for delayed deliv-
eries. Of the 17 order cancella-
tions so far, all but one — an
A320 — have been relocated.
An unexpected result of the
airline slump was that the leas-
ing companies, with whom Air-
bus restricts its business to 20%
of the whole, seem to have
suffered less than the airlines.
"It is the airlines which are
requesting the delivery de-
lays... the leasing companies
have not even knocked on the
door," says Pierson, adding:
"With the numbers of aircraft
they ordered two years ago, we
were afraid they would be the
ones to suffer first."
With three new or derivative
aircraft on the slocks (A321,
A330 and A340), Airbus is ex-

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