

# JAL sells ANZ stake but maintains links

**A**IR NEW ZEALAND (ANZ) stresses that it plans to continue its partnership with Japan Airlines (JAL), despite the Japanese carrier's decision to sell its 5% holding in the group.

Announcing the share disposal, ANZ managing director Jim McCrea heaped praise on JAL's role as a strategic partner and its "support and encouragement" in providing access to Japan's out-bound tourist market. He adds that both sides are still committed to "pursuing further benefits" from the relationship.

Cash-strapped JAL chose to off-load its stake as part of a wider rationalisation of its assets. The shares will fetch around \$62 million, almost double the amount that it paid for them six years ago.

"It was a good strategic investment and now we're taking our money, because there's no need for us to keep it there. We'll probably spend it on things like

fleet acquisition," says JAL.

The JAL holding will be taken up by Brierly Investments, which is already ANZ's largest shareholder. The New Zealand investment house will now hold around 40% of the carrier.

JAL took out its holding in ANZ in 1988 as part of a consortium headed by Qantas and including American Airlines. The aim was to prevent British Airways from buying up shares in the ANZ privatisation.

American sold its ANZ shares in 1992, but Qantas managing director James Strong says that the Australian carrier has no plans to dispose of its ANZ interest.

Qantas had offered a guarantee to its consortium partners that it would underwrite any shortfall in the dividends yielded by their stakes in JAL. This was recently a cause of friction between Qantas and Brierly, but has been eased by the JAL sale. □



*Deutsche Airbus looks for 30% production gains*

## Deutsche Airbus cuts jobs

**D**EUTSCHE AIRBUS has agreed with unions to lose up to 3,000 jobs by the end of 1997 and to reduce the working week by 2h, to 35h.

The cuts in the operation's 16,500-strong workforce are being taken as part of the company's drive to improve the efficiency of the six Airbus plants in northern Germany.

The redundancies will be

achieved voluntarily. The company is trying to improve productivity by 30% over the next three years, and to reduce lead times by 50%.

Deutsche Airbus says that the measures are necessary because of the prevailing "extremely tough" market conditions. Airbus Industrie expects to build just 110 aircraft in 1995, against 135 during 1994. □

## US airlines warn on losses

**T**HE US AIRLINE industry could be on course to show its fifth consecutive year of losses in 1994, say early estimates from the Air Transport Association (ATA).

The warning confounds Wall Street predictions that the major airlines would end the year with net profits of \$1 billion.

The major scheduled airlines were showing collective net profits of \$540 million after the first three quarters of 1994, but the ATA warns that these could turn to losses after a poor final quarter beset by price cutting. At best, the industry could turn a profit of \$200-\$500 million for the year, says the ATA.

Since 1990, US carriers have lost nearly \$13 billion. In 1992, the industry suffered a net loss of \$4.8 billion, after the worst year in airline history. That loss was cut to just over \$2 billion in 1993 and was expected to turn to profit in 1994. The ATA says that although there were a record number of passengers in 1994, low air fares have continued to depress revenues.

Numbers in the US airline fleet remained stable during the year, edging up by only 100, to 4,450 aircraft. Airline employment was also virtually unchanged over the year at 537,000 staff. □

## Varig restructure pays off

**V**ARIG REVEALS that it is back in profit, following the success of the sweeping restructuring programme launched by the Brazilian carrier in March 1994.

President Rubel Thomas reports that Varig recorded a profit of \$180 million in the first ten months of 1994, turning round a loss of \$225 million posted in 1993. He adds that the airline showed a \$62 million profit for October alone.

The better performance was helped by measures to strengthen the Brazilian currency, which has risen sharply against the dollar

since mid-year, and an increase in demand for domestic flights, with load factors averaging nearly 77%.

Under the cost-cutting programme, Varig has reduced its fleet from 85 aircraft to 76, restructured its long-term debt of \$1.2 billion and shed one-quarter of its workforce, to leave 21,500. Ruben expects the measures to save \$225 million in 1995.

The airline plans to sell its hotel chain and publicity agent for \$18 million, but will hold on to regional-airline subsidiary RioSul and Sata, which provides airport ground-handling services. □

### NEWS IN BRIEF

#### ■ COMPASS PAY

Former staff of failed Australian regional Compass Airlines will receive A\$3.5 million (\$2.7 million) in unpaid wages, a supreme court has ruled. The wages will be paid out of the A\$10.35 million handed by Compass to the Australian Civil Aviation Authority, which the court says, knew that Compass was insolvent when it accepted the money.

## El Al takes stake in Dutch charter airline

**I**SRAELI FLAG CARRIER El Al will own 48% of the shares of a new Amsterdam-based charter airline, to be called Starline.

Dutch charter operator Air Holland will own the rest of the stock and the carrier will use the two parents' aircraft for its ser-

vices. In particular, Starline will be able to use the El Al fleet on Saturdays (the Jewish Sabbath) and on religious holidays when the carrier does not operate.

Air Holland operates a fleet consisting of two Boeing 737s and two Boeing 757s. □