

# Bombardier's turn-around on Super Tucanos annoys Brazil

GRAHAM WARWICK/WASHINGTON DC

**B**RAZIL HAS threatened to suspend trade negotiations with Canada in retaliation for Bombardier's decision to switch from the Embraer EMB-314 Super Tucano to the Raytheon T-6A Texan II turboprop trainer for its NATO Flying Training in Canada (NFTC) programme.

The Canadian company says that it awarded the contract for 24 aircraft to Raytheon after becoming concerned about Embraer's ability to meet the schedule, which calls for first deliveries in November 1999. Bombardier had earlier selected the Super Tucano and British Aerospace Hawk 100 advanced trainer as the basis for its private-venture NFTC programme.

The Canadian Government signed a 20-year, C\$2.85 billion (\$2 million) contract in November 1997, under which Bombardier will take over training of Canadian Forces pilots, providing aircraft and simulators in return for a fee. The programme is also being marketed to other NATO air forces.

Bombardier says that Raytheon will deliver the first three T-6A-1s to CFB Moose Jaw, Alberta, in November 1999, with the rest following at a rate of two or three a month. This is the first export order for the Pilatus PC-9-derived



Raytheon turn upsets Brazil

T-6A, winner of the US Air Force/Navy Joint Primary Aircraft Training System competition.

Raytheon will deliver the first T-6As to the USAF in November 1998, and says that the ramp-up of production for the Air Force "...is so slow there will be no problem meeting the NFTC schedule."

Embraer had expected a \$90 million contract for 24 EMB-314s, and the Brazilian Government has threatened to suspend negotiations between Canada and the Mercosur trading bloc (Argentina, Brazil, Paraguay and Uruguay). The Canadian Government says that the choice of trainer was entirely Bombardier's responsibility, as NFTC prime contractor.

The row could escalate a trade dispute between Brazil and Canada over the extent of government subsidies provided to Embraer and Bombardier, respectively, for regional-airliner development and sales. This was exacerbated in December 1997 when Brazil's state-owned BNDES National Development Bank signed a 16-year, \$1.1 billion, deal to finance the sale of 67 Embraer RJ145 regional jets to AMR Eagle.

■ Raytheon expects Greece to issue a request for quotations in the first quarter of 1998 for 40-50 turboprop trainers. Chile has signed a letter of intent to acquire 15-20 T-6As, with deliveries to be expedited if it selects a US aircraft to meet its fighter requirement. □

## Olympic signs up for Next Generation

**O**LYMPIC AIRWAYS has finalised its order with Boeing for the Next Generation 737, and concluded a \$408 million deal for eight 737-800s.

The Greek flag carrier, which revealed its fleet-renewal plans in August 1997 (*Flight International*, 27 August-2 September 1997), will begin receiving the new 737s in early 2000. Olympic now operates a short-haul fleet of 11 737-200s, seven 737-400s and nine 727-200s, while eight Airbus A300s are flown on its medium-haul routes. The airline will re-organise its short-haul operations around the 737-800, and the initial deal for eight -800s is expected to grow eventually to 25.

The other component of the airline's fleet-renewal strategy will see the four Boeing 747-200s, which are operated on long-haul services, replaced by Airbus A340s. Olympic holds orders and options for six A340-300s, and eventually plans to have up to ten aircraft, with the ultra-long-range A340-500 and -600 being evaluated for the longer term. □



## Reed new editor of *Flight International*

**REED AEROSPACE** has announced that Carol Reed is to succeed Allan Winn as editor of *Flight International*. Reed, who is now editor of *Jane's Defence Weekly*, will take up her new post on 2 February. Winn is now editor in chief of the Reed Aerospace titles, which include *Airline Business*, *Air Transport Intelligence* and *Flight International*.

## Swissair signs A340-600 deal to replace MD-11s

**S**WISSAIR IS to phase out its Boeing MD-11s early in the next decade after concluding a major deal for more Airbus wide-bodies at the end of 1997, following the board's earlier approval to order the A340-600.

Swissair has long been expected to be among the launch customers for the new ultra-long-range, Rolls-Royce Trent 500-powered, A340-600, and confirmed the order in late December when it signed an agreement with Airbus for up to 19 aircraft - nine firm and ten options. Swissair will take

delivery of the nine firmly ordered A340-600s between April 2002 and 2006. The airline has the flexibility to take up its A340-600 options as the ultra-long-range -500 model, or the twin-engined A330.

Swissair's five Boeing 747-300s are being replaced in the near term by additional MD-11 tri-jets (acquired from LTU) and A330-200s. In the longer term, the A340-600s will take over the traditional 747 routes, as well as replace the airline's entire fleet of 20 MD-11s, which will be phased out between 2002 and 2006.

According to airline sources, Swissair already has a deal in place to sell the MD-11s to US parcels-carrier FedEx.

The airline has also increased its orders for the A330-200 to ten, with a deal for six more Pratt & Whitney PW4168-powered aircraft scheduled for delivery in 1999 and 2000.

Swissair already has a deal to take five A330-200s from September 1998 on lease from International Lease Finance. An order has also been placed for a further A321 for delivery in 1999. □