



Advanced weaponry is becoming available on the F-16, including Lockheed Martin's Joint Air-to-Surface Standoff Missile (under outboard wing, left)

# Fighting fit at 4,000

**Lockheed Martin's F-16 programme has passed the 4,000-sales mark, with everything still to fight for**

GRAHAM WARWICK/FORT WORTH

**A**LTHOUGH IT HAS the current best-seller on the fighter market, Lockheed Martin is aware that the market is changing. Competition and economic pressures are driving efforts to reduce cost and increase capability of the F-16.

The most pressing issue facing Lockheed Martin is avoiding the production gap that will occur, based on current orders, in 2001. The company will build 105 F-16s this year, but production will decline to 57 in 1999, 34 in 2000 and only 11 in 2001 when, on current orders, the last aircraft will be delivered.

Production is then scheduled to restart in 2002 to fulfil the 80-aircraft order now being negotiated with the United Arab Emirates (UAE). Under the current plan, production would ramp up to 36 a year before shutting down again in 2004. This would leave a three-year gap

until production of the Joint Strike Fighter (JSF) gets underway – assuming Lockheed Martin wins the competition, and assuming the JSF programme stays on schedule.

The priorities, according to market development director Robert Keighery, are: to fill the 2001 gap; to then increase production above that planned for the UAE; to fill the 2004-2007 gap; and to keep the F-16 in production beyond the start of JSF deliveries, both as a back-up and as an alternative to the new fighter.

## DRIVING DOWN LEAD TIME

The first of those is probably the toughest. The last aircraft, on current orders, is scheduled to be delivered to the US Air Force in April 2001. With the traditional 36-month lead time, an F-16 ordered today would not be delivered until July 2001. But Lockheed Martin has driven down lead times and can now produce the current Block 50-standard aircraft in 24 months.

Contract negotiation and aircraft configuration would add to the lead time, but the potential exists for aircraft to be delivered beginning in October 2000 if an existing customer placed a repeat order. Several F-16 operators are looking at top-up purchases, Keighery says.

Lockheed Martin sees the "realistic" potential to sell a further 500 aircraft over the next 10 years, says F-16 programmes director Kevin Dwyer. Between 1,500 and 2,000 fighters will "come of age" over that period, but they will not be replaced one-for-one, he says. This leaves a real market for around 1,000 aircraft, of which Lockheed Martin expects to capture "a little more than half" with the F-16.

Of those 500 sales, a half or more will be to existing F-16 operators, Dwyer says. Lockheed Martin is in "ongoing negotiations" with more than half of the almost 20 existing F-16 operators on follow-on purchases, he says.

Securing substantial new sales is not going to be easy, however, not least because most of the fighter procurements under way have been, or could be, affected by economic issues. Chile's competition for 12-24 aircraft, which was to have been decided in June, has been postponed indefinitely because of the knock-on effects of the Asian economic crisis. The Philippines has