

BUSINESS

EasyJet in advanced talks to buy rival Go

EasyJet was in "advanced" negotiations to acquire low-cost rival Go as *Flight International* closed for press.

Go is majority-owned by venture capitalist group 3i, which bought Go from British Airways in June for £100 million (\$142 million) – Go would probably sell for much more today. The move comes as a surprise, as both airlines are in good financial shape, with ambitious expansion plans. Taking on Go's London Stansted and East Midlands hubs would pose logistical challenges for EasyJet, and integrating the two airlines' services could take time.

The move would put EasyJet head to head with Ryanair, which shares Go's Stansted base. An EasyJet/Go merger would put the combined airline ahead of Ryanair in revenues, passenger numbers, routes and fleet size.

Meanwhile, Go is said to be finalising a \$3 billion deal with Airbus for up to 80 A320 family aircraft. The Boeing 737 operator declines to comment on reports that it is in exclusive discussions with Airbus.

DEFENCE ANDREW DOYLE / SINGAPORE

Korean Patriot deal could hinge on F-15 price-tag

Seoul may not have funds for missile purchase unless Boeing cuts fighter price

South Korea may shelve plans to buy \$1.5 billion worth of Patriot Advanced Capability-3 (PAC-3) surface-to-air missiles (SAM) from Raytheon unless Boeing cuts the \$4.4 billion-plus price tag of the 40 F-15Ks it is acquiring.

The South Korean defence ministry says the two procurement pro-

grammes are not linked, but industry sources say Seoul is unofficially warning it does not have the budget for its SAM-X requirement unless Boeing drops the F-15 price.

The ministry admits there is a "real possibility that SAM-X will be pushed back or cancelled" because of budgetary constraints. It also

says defence minister Kim Dong-shin has warned Boeing military aircraft and missile systems president and chief executive Jerry Daniels that the government could face a public backlash over the cost of the F-X deal if it is forced to go back to parliament for more funding before signing a final contract.

Boeing hiked the price of the F-15K during the F-X bidding process, which lasted more than two years. Seoul had earmarked \$3.2 billion for the purchase in 1999. The defence ministry says it will not reduce aircraft numbers below 40.

The government aims to sign the contract by early June to enable deliveries to start in 2004, but this could be delayed if the pricing issue is not resolved quickly, say the sources. Dassault is also seeking to block the deal.

Meanwhile, Seoul is trying to defer the payment schedule for the PAC-3 by up to two years. E-X airborne early warning and control aircraft, and AH-X attack helicopter projects have already been postponed due to budget constraints.

DEFENCE

New or used decision awaited

The South Korean government is deciding whether to acquire eight refurbished ex-US Navy Lockheed Martin P-3B Orions or to wait until 2005 when P-3C production may restart. A decision by Seoul in favour of used aircraft would deal a blow to Lockheed Martin's efforts to build the financial case for renewed P-3C production.

The South Korean navy has issued a formal request to the Ministry of National Defence (MND) for eight extra P-3Cs to bolster the eight it received in the mid-1990s for maritime reconnaissance and anti-submarine warfare. However, Seoul is reluctant to help fund the reopening of the P-3C line, which was shut in 1995.

Lockheed Martin is pinning its hopes on an early decision by Taiwan to proceed with the purchase of 12 new-build P-3C Update IIIs. Taipei submitted a request for pricing and availability data to the US Department of Defense after the US government cleared a P-3 sale to Taiwan. Taipei, however, is unlikely to have funding available before 2005.

The USN plans to brief Taiwan on the P-3C in October, but government sources say their priority is buying four ex-USN guided missile destroyers.

DEFENCE JUSTIN WASTNAGE / STANS

Pilatus aims for half of trainer sales with PC-21

Pilatus is aiming to win half the 1,000 trainer sales predicted over the next 20 years with its PC-21, following its roll-out last week from the manufacturer's Stans, Switzerland factory. The PC-21 is set to make its first flight in July and will be available from 2004.

The PC-21 is a new design with life-cycle costs being the key driver, says Oscar Schwenk, Pilatus chief executive. Pilatus expects it to be offered at the same price per operating hour as the Embraer EMB-314 Super Tucano and Raytheon T-6 Texan. "At least one air force" is considering using the aircraft for ab initio training as the operating costs are close to

those of piston trainers, Pilatus says.

Pratt & Whitney Canada carried out "considerable re-engineering" to get its 1,200kW (1,600shp) PT6A-68B engine to integrate with the Pilatus power management system (PMS). This allows a cruising speed of 370kt (685km/h) to be maintained at low altitudes. PMS also acts to restrict the engine to a 670kW rating for take-off, before ramping up to full power by 250kt (460km/h).

The aircraft has an 8.8m (29ft) span and is equipped with a "complex flap system" to maintain an 80kt stall speed. The swept wing features double-extending Fowler flaps and has a combination of

spoilers and ailerons to provide jet-like roll rates.

The trim gauge is the only analogue dial in the glass cockpit. The

aircraft is equipped with software capable of mimicking fighters, allowing Pilatus to offer it as a flying simulator.



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