

■ **GE Capital Aviation Services** (GECAS) has delivered two Boeing 737-700s to China's **Shenzhen Airlines**. The aircraft are on operating lease from GECAS. ■ **BAE Systems Corporate Air Travel** will in January introduce an ex-Flybe BAe 146-200 leased from **BAE Regional Aircraft** for operation on European inter-factory shuttle services. ■ **Hellenic Star Airways** has appointed **Skyways Aviation** to remarket its de Havilland Dash 7. The aircraft has been replaced by two Saab 340s. ■ **Airbus** has delivered the first of two A330-200s to **Aircalin - Air Calédonie International**. The General Electric CF6-80E1A4-powered aircraft will fly from the airline's Nouméa, New Caledonia, base to Auckland, Brisbane, Melbourne, Osaka, Papeete, Sydney and Tokyo, replacing its A310. ■ **Belgian holiday airline Sobelair** has received a new, winglet-equipped Boeing 737-800 on lease from **Boullouin Aviation Services** for services to the Canary Islands, Egypt and other African destinations. ■ **CIT Aerospace** has delivered two ex-British Airways, Rolls Royce RB211-535E4-powered Boeing 757-200s to **Air 2000** on lease.

NEGOTIATIONS PAUL LEWIS / WASHINGTON DC

LanChile aims to clinch swap deal with Airbus

South American carrier wants A318s instead of A320s for low-cost subsidiary

LanChile is in talks with Airbus to swap its remaining undelivered order for A320s for the smaller A318. The Chilean airline at the same time reports making progress in liberalisation talks with neighbouring Argentina, rekindling interest in launching a local subsidiary operation there.

According to industry sources close to the airline, LanChile is negotiating an order for between 10 and 12 107-seat A318s for use by its recently launched low-cost domestic subsidiary LanExpress. The aircraft would be a direct swap for the 12 larger 156-seat A320s that await delivery out of the 25 originally ordered by LanChile.

The deal, if finalised, would boost the A318 programme, which has suffered a number of order cancellations, and potentially the Pratt & Whitney PW6000 engine as LanChile's A320s are powered by V2500s built by P&W's joint-ven-

ture International Aero Engines. Only America West remains a PW6000/A318 customer following delays in the programme (see below).

With the PW6000 not due to enter service before 2005, an A318 order swap would also allow LanChile to hold off on new deliveries as it tries to cut costs. During its third quarter earnings call, the carrier announced the deferral of four A320s and two A340s due for delivery in 2003.

LanChile's regional director in Argentina, Francisco Vidal, has in the meantime again raised the idea of launching a local operation. LanArgentina would be modelled on LanChile's other subsidiaries in South America, such as LanPeru and Ecuadorian subsidiary LanEcuador, which was due to begin services on 15 December. LanChile is also studying the establishment of a subsidiary in the Dominican Republic.

Vidal disclosed that establishing LanArgentina might initially take the form of a partnership with one of the local carriers.

The lack of a clear governmental policy about the Argentinian air transport market has hindered Chilean efforts to establish LanArgentina in the past, but Vidal says that talks with Argentina's ministry of transport have seen significant progress.

Domestic tariff regulations are seen as one of the key obstacles that need to be addressed. Vidal says: "We need a definition of tariffs since carriers have flown for a long time at rates that are not financially viable."

Airport fees are also seen as a disuading factor as Argentinian airport fees are among the highest in the world.

ADDITIONAL REPORTING BY JACKSON FLORES IN RIO DE JANEIRO

CANCELLATIONS

EgyptAir and BA deal blow to P&W A318

The troubled Pratt & Whitney PW6000-powered A318 programme has suffered another serious blow as two of the three remaining airline customers - British Airways and EgyptAir - cancel their orders.

BA says it has swapped its six remaining A318 orders for the 195-seat A321 model, while Airbus has confirmed that EgyptAir's order for five A318s has been replaced by one for a similar number of A320s. Both revamped orders specify the International Aero Engines V2500 engine, of which P&W is a shareholder.

When P&W confirmed the 30-month slip of the PW6000 programme in March, Frontier Airlines switched its order for six PW6000-powered A318s to the CFM



The A318 orderbook has shrunk further as BA and EgyptAir switch to the larger A320 family models

International CFM56 version. In August Air China swapped its order for eight PW6000-powered A318s for A319s. America West Airlines now remains as the sole PW6000-powered A318 airline customer, with an order for 15 aircraft due from 2006.

Lessor International Lease Finance has orders for 15 A318s, which may be powered by the PW6000.

BA's original A318 order in October

1999 was for 12 aircraft, plus 12 options. In April the order was reduced to six, and the options cancelled. Now BA is dropping the remainder of the A318s as well as three of the six remaining A319s it has on order from its original massive A320 family deal in 1998.

The A318/A319 orders have been exchanged for six A321s, which it says are more suited "to higher den-

sity routes from London Heathrow Airport". The airline now has 10 A321s on order, scheduled for delivery between September 2004 and December 2005.

Airbus holds 69 orders for CFM56-powered A318s, and is adamant that the recent cancellations have had no effect on the status of the PW6000/A318 programme, which continues as planned.