

AIR TRANSPORT NICHOLAS IONIDES / SINGAPORE

ANZ/Qantas may stay in separate alliances

Airlines aim to opt for rival groupings after partner deal

Air New Zealand (ANZ) and Qantas are exploring the possibility of remaining in rival multilateral alliances even if the Australian carrier is successful in its bid to acquire 22.5% of ANZ.

Studies are being carried out by the two would-be partners that they hope can lead to ANZ remaining in the Star Alliance and Qantas staying in Oneworld, say sources close to the airlines.

Whether the individual alliance groupings will support this is questionable, the sources say, as both Star and Oneworld have regulations barring their members from having ties with airlines from other multilateral groupings.

"There are definitely some corporate governance issues that the two alliances have to address," says one source, "but it may be possible."

Regulators, who have already expressed concern that a tie-up between the two will reduce competition, would probably prefer them to remain in separate alliances, the sources add.

ANZ and Qantas announced their plans for an equity-based bilateral alliance in November and their proposals are being scrutinised by regulators on both sides of the Tasman Sea. Decisions are expected by June.

Under the proposed deal Qantas would acquire 22.5% of state-owned ANZ for around NZ\$550 million (\$295 million) and the two carriers

intend to codeshare on many of their respective services.

Most observers have speculated that ANZ will be forced to leave Star, partly because Qantas is minority owned by Oneworld's British Airways and the two have a successful joint venture for services between Australia and Europe. BA has indicated that it is committed to retaining its stake in Qantas.

While some analysts have questioned Qantas's commitment to Oneworld, the sources say it is unlikely to opt out in favour of Star. They say ANZ in particular wants to keep its alliance relationships in place and is the one driving the studies to determine whether this will be possible.

In announcing plans for its alliance with Qantas in November, ANZ said "it should not be assumed that Air New Zealand will leave the Star Alliance".

Star has not received specific proposals from the carrier, but it will be keen to keep it in the grouping as it is its only member in Australasia. It lost Australia's Ansett as a partner following that airline's collapse in September 2001.

ANZ and Qantas decline to comment on their alliance plans. Oneworld says, however: "We have had very firm indications from Qantas that it wants its entire operations to be within the Oneworld alliance, but ultimately ANZ's future alliances are up to its new strategic board."

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Star auditors head for Gulf Air

Gulf Air is close to finalising its alliance strategy and could soon be under evaluation by Star Alliance. A source close to the United Airlines/Lufthansa-led grouping says a team is likely to arrive at the airline's Bahrain headquarters next month to carry out an audit ahead of accession talks.

Gulf Air's network alliance manager Adam Phillips says the airline has been in talks with Star, but adds that it is still in close contact with Oneworld, with which it has a number of codeshares. John Butler, Gulf Air's vice-president of sales and marketing, outlined the airline's urgent plans for joining a global alliance last week and Star admits the Gulf region is an area in which it is "very interested" in finding a new member airline. Star is understood to have also discussed membership with Emirates and Qatar Airways, before narrowing the choice down to Gulf Air, despite having extensive codesharing agreements with Qatar Airways.

Briefing

Rosetta postponed after Ariane 5 failure

SPACE Arianespace and the European Space Agency have postponed the launch of the Rosetta asteroid and comet explorer as the investigation into the failure of the first Ariane 5 ECA booster in December continues. Rosetta should have been launched before 31 January to allow it to enter orbit around the comet Wirtanen in 2011 and to place a lander on the surface a year later, after a protracted tour of the solar system including planetary gravity assists using the Earth and Mars and exploration of two asteroids. The craft will be redirected to another comet and a new flightpath and launch date calculated after the 5G booster is cleared for flight. The delay may last at least a year.

SIA makes chief executive choice

APPOINTMENT Singapore Airlines (SIA) has confirmed its first top leadership change in nearly 20 years, with the appointment of administration chief Chew Choon Seng as chief executive-designate to replace the retiring Cheong Choong Kong. Chew, a 30-year SIA veteran, will take over from Cheong when he retires in June. He is senior executive vice-president (administration). Chew is also chairman of Singapore Aircraft Leasing Enterprise and chairman of Singapore public transport company SMRT. Many financial analysts and industry observers had been expecting senior executive vice-president Lt Gen Bey Soo Khiang (Retd) to be appointed to the top job.

TransAsia ATR 72 recorders found

SAFETY Investigations into the 21 December crash of a TransAsia Airways ATR 72-200 freighter into the Taiwan Strait are progressing following retrieval of the aircraft's flight data and cockpit voice recorders last week, south-west of Makung. The Aviation Safety Council says the outside casing of both recorders separated from the main contents, but is hopeful their data has not been lost. Bad weather has slowed recovery of the recorders and wreckage. Radar data showed the aircraft dived into the sea as it flew through rain at sub-zero temperatures. Icing is being investigated as a possible factor.

P&WC slashes workforce again

JOB CUTS Pratt & Whitney Canada is laying off another 350 workers at its engine plant near Montreal due to continued weakness in the aviation sector. The layoffs are in addition to 500 job cuts announced in September, of which 170 come into effect this week. The company has 7,000 employees.

Secret arbitration to solve patent dispute

LAWSUITS Honeywell and Thales have agreed to non-binding arbitration of their dispute over terrain awareness warning system (TAWS) patents. Honeywell filed a lawsuit against L-3 Communication/Thales joint venture ACSS in August, alleging patent infringement, and Thales counter-claimed. Arbitration could avoid lengthy and costly litigation. Honeywell has not agreed to arbitration in its other lawsuits against TAWS suppliers Goodrich Aerospace, Sandel Avionics and Universal Avionics Systems.

AIG considers a stake in Gol

ACQUISITION US financial giant American International Group (AIG) may buy 20% of Brazilian low-fare carrier Gol Transportes Aéreos. Gol announced last week it is negotiating the sale of a 20% share to an international party, and discussions were at an "advanced stage". Local market sources pointed at AIG, but Gol refuses to confirm this. Brazilian law sets 20% as the limit covering shareholding sales of aerospace enterprises to foreign parties.

Flight International appointments

PEOPLE Andrew Doyle has returned to London to take up the role of news editor on *Flight International* after overseas postings to Germany, where he was Munich correspondent, and Singapore, where he was The Flight Group's deputy Asia editor. Emma Kelly, the magazine's previous news editor, becomes Australian civil aviation correspondent, based in Perth. Kelly replaces Cairns-based Paul Phelan, who is retiring.