

INDUSTRY

MD Helicopters follows a trend with Chinese deal

Dutch-owned manufacturer secures agreement with Hongdu after disappointing 2002

MD Helicopters (MDHI) has joined the growing list of Western rotorcraft manufacturers seeking to make in-roads into the potentially large Chinese market through industrial co-operation. It has concluded a joint-venture deal with Hongdu to assemble the single-engined MD 500 and 600 series of helicopters in Nanchang, Jiangxi Province.

Hongdu MD Helicopters is a 60:40 venture between MD Helicopter's Dutch owner RDM Holdings – which is investing an initial \$10 million to establish an assembly line – and the Chinese manufacturer.

The US-based company has secured 30 commitments in China for MD 500/600-series machines,

but needs Chinese certification and a local assembly facility before converting the commitments into firm orders, says Joep van den Nieuwenhuyzen, RDM chairman and chief executive. MDHI hopes to begin assembly of the first helicopter kits supplied from the USA in March.

Among prospective operators are five city police forces and a number of tourist organisations. Guangdong General Aviation already operates an MD 500E for the Zhongshan public security bureau and over the next five years van den Nieuwenhuyzen sees a market for 300 helicopters.

AgustaWestland and Eurocopter have been active in China several years, with the former assisting in

development of the indigenous Chinese Medium Helicopter. Sikorsky is hoping for Chinese government approval by March for its joint venture with Shanghai Little Eagle to assemble up to 24 Schweizer 300CB/CBI and 333 light helicopters a year from 2004. Wuhan Helicopter is due to begin parts manufacture for Enstrom this year and licence-production of the F-28 and 280FX piston and 480 turbine machines within five years.

MDHI says the Hongdu deal follows "not a very good year", during which the company delivered only 15 helicopters. It lost money in 2002 for the first time since RDM acquired the business from Boeing in 1999 for \$70 million.

■ **Cougar Helicopters** has firmed up a launch order for three **Sikorsky S-92s**. **Norsk Helicopters** also plans to buy two S-92s. ■ **Air Logistics** has ordered 15 **Sikorsky S-76C+s** and will trade in a similar number of older S-76As. ■ **Hummingbird Helicopter Service** has ordered a **Schweizer 333**.

■ **Eurocopter** has sold two EC135s to Pennsylvania-based **STAT Medevac**, with two EC130s to Las Vegas-based **Maverick Helicopters** and one to **Sunshine Helicopters** of Hawaii. ■ **Pennsylvania Police** has ordered two **Agusta A119 Koalas** and the **New York City Police** has purchased another four. ■ **Shenzhen police** in China has ordered an **Agusta A109 Power** and taken options on two, while **Dallas-based CareFlite** has purchased a fifth A109. ■ **MD Helicopters** has sold an **Explorer** to **Sky FlightCare**. ■ **Oregon-based Superior Helicopter** has acquired a **Kaman K-MAX** previously leased and leased a fourth.

PRODUCTION

Low-cost manufacturers aim to raise output as orders increase

Bucking the belt-tightening trend of their larger US contemporaries, low-cost helicopter manufacturers Enstrom, Robinson and Schweizer have signalled plans to raise production.

Led largely by healthy sales of its newly developed R44 Raven II, Robinson plans to raise R22 and R44 production from seven a week to "10 or 11 a week by May", says president Frank Robinson.

Robinson production fell in 2002, with 255 helicopters delivered against 328 in 2001. Orders have now picked up. "The Raven II in particular has caught on more than anticipated, with around 130 orders, and now it has carried over to the Raven I and R22. We are really optimistic about 2003," Robinson says. The upturn is attributed to the surge in Raven II deliveries following a two-month delay in certification to November 2002, low interest rates and the US dollar's weakness – 60% of Robinson's helicopters are exported.

Enstrom, revitalised by a restructuring begun last year, believes 21 helicopters could be delivered this year against seven in 2001 and nine last year. "We had 16 planned originally, but we've already got 10 sold so we will probably boost to 21 for the year," says company president Steven Daniels. Aside from growing prospects for new sales in Asia and Europe, Enstrom hopes to reach the 30-35 a year level by mid-2004. Sales are expected to be around a 60:40 mix between the turbine-powered 480B and the piston F28F Falcon and 280FX Shark.

Schweizer Aircraft, which admits to a disappointing year in 2002 with 35 deliveries, is hopeful of handing over around 45 helicopters in 2003. Piston-powered 300CBis are expected to take the lion's share, with up to 23 sales, while the slow-selling turbine-powered 333, which notched up only two deliveries in 2002, is expected to account for at least seven.



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Al. Lotników Polskich 1, 21-045 Świdnik POLAND
tel. +48 (81) 751 35 05 fax +48 (81) 468 09 18
<http://www.pzl.swidnik.pl>; e-mail: hem@pzl.swidnik.pl