

■ **Dragonair** has placed a long-term services contract with **Rolls-Royce** worth \$160 million for a TotalCare programme for the Trent 700 engines powering five Airbus A330s. The Hong Kong carrier has signed a five-year agreement with **SR Technics** for maintenance and engineering services, provision of components from Hong Kong and Zurich, inventory management and logistics services.

■ **Sabena Technics** has signed a contract with **SN Brussels Airlines** to provide component support for the airline's three Airbus A319s.

■ Sweden's **Priority Aero Maintenance** at Stockholm Arlanda Airport has been contracted by **Air Memphis** of Egypt to carry out a C check on a McDonnell Douglas DC-9-30. It will also carry out a C check on a DC-9-50 and Boeing MD-83 for **Khors Aircompany** of Ukraine. The company has repaired a Boeing MD-82 of **Nordic Airlink** which was damaged in a towing accident.

ATM DAVID KAMINSKI-MORROW / MAASTRICHT &amp; DAVID LEARMOUNT / LONDON

# Arinc/Sita collaboration stalls amid internal issues

Potential anti-trust contentions seen as stumbling block for deployment progress

Prospects of a potential collaboration between global air/ground communications network providers Arinc and Sita on the deployment of the digital VHF datalink Mode 2 (VDL-2) technology are fading fast. Sita vice-president of aircraft communications George Cooper says the only reason for co-operation is to provide lower-cost services at a time when airlines need savings.

However, Cooper says potential anti-trust issues and internal changes at Arinc could be hindering progress. Arinc says the primary area of co-operation would be provision of a VDL-2 communication network for Eurocontrol's Maastricht air traffic control centre in the Netherlands, which Eurocontrol wants up

and running by May for early operational trials with SAS and Lufthansa aircraft. Eurocontrol only wants a contract with one provider, but considered it logical that the provision could be made via a joint Arinc/Sita network, rather than each having to provide a separate 1,400 ground-station network.

While both have already been forced to invest separately in research and development for VDL-2, Sita believes there are still savings to be had in setting up the ground stations. VDL-2 technology will replace the current aircraft communications addressing and reporting system (ACARS) network with a faster, high-capacity air/ground link, and simultaneously provide air traf-

fic controllers with controller/pilot datalink communications (CPDLC) (*Flight International*, 11-17 February).

Sources attending last week's *Jane's* ATC Maastricht Conference indicated that anti-trust considerations might not be the only issue hindering Arinc/Sita network collaboration, citing "internal changes" in Arinc – possibly concerned with the sale of shares in the company – which Arinc itself has forecast.

This may be linked to the fact that in Europe the airlines that own Sita are not in such a dire financial position as the major US carriers that own Arinc, which would make it logical for Arinc to seek external investment.

## EXPANSION

### Africa One eyes 767 lease deal

Africa One is negotiating the lease of a Boeing 767 from Boeing Capital, which financed the Uganda-based airline's fleet of three McDonnell Douglas DC-9s and one DC-10-30.

According to the airline's chief executive Fredrick Ochieng Obbo, the airline wants a 767-200 or -300 for trans-African services from Africa One's new hub at Lagos, Nigeria, to Entebbe, Uganda, and on to Dubai, starting in April. A delegation from Boeing Capital is due in Kampala, Uganda, this week to discuss the lease.

Talks are being held with South African Airways and Kenya Airways to integrate the Nigeria flights into their networks.

The carrier had planned to use its DC-10 on these services, but escalating fuel prices forced a switch to the twinjet. The DC-10 is now operating Hadj flights.



AirAsia is to triple its Boeing 737-300 fleet to 21 aircraft to provide capacity for its growing domestic network

LOW-COST GROWTH DAVID FULLBROOK / BANGKOK

## AirAsia readies 737 fleet expansion

Malaysian no-frills carrier AirAsia is to triple its Boeing 737-300 fleet to 21 aircraft over the next two years to provide capacity for its growing domestic network that will focus on point-to-point services.

AirAsia has six 737-300s in service with a seventh due from Tombo Leasing next month that will be used on services to new destinations in East Malaysia that are popular with tourists, says AirAsia chief executive Tony Fernandes. Seven more

-300s will arrive this year, and seven are planned for 2004. Three of the 2003 deliveries will be purchased and four leased, while all next year's batch will be leased. Fernandes will be squeezing suppliers hard: "We price aggressively," he says.

Aircraft will be financed with the proceeds from the 20% stake in the airline being sold to investors. AirAsia had a profitable second half of 2002, which is expected to make the sale popular.

Larger 737s are unlikely to join AirAsia. "We will stick to the 737-300s unless we get a really great deal on -400s," says Fernandes. However, he expects to add current model 737s in the long-term.

AirAsia will focus more on point-to-point services as its fleet grows and over the year it fills the last gaps in its network, including Penang and Johore Bharu, which will be pitched as the island state's low-fare gateway.