

# Asian airlines create maintenance alliance

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IN SINGAPORE

Four of Asia's largest airlines have agreed to set up an informal alliance to pool aircraft, engines and component maintenance.

The four carriers (Cathay Pacific, Garuda, Singapore Airlines and Thai International) reached the agreement during the Asian Aerospace show in Singapore. It is believed to be the first multi-airline collaborative venture of its kind in Asia, and may be expanded to include other major carriers in the region.

The new grouping, known as the South-East Asian Maintenance Alliance (SEAMA), is intended to reduce costs by eliminating duplication of



Pratt & Whitney engines will be handled by SIA

equipment, training and spares inventory for the member airlines. Although it is modelled loosely on the European Atlas and KSSU consortia, it will not have shareholdings or formal

provisions for worksharing or equipment purchases.

One official involved in the negotiations says that it is intended to be "...purely a voluntary arrangement. Atlas and KSSU got into all kinds of trouble over buying equipment that airlines didn't really want, and we don't want to get into that". The official adds: "We decided that we would respect each other in what we were each doing, and help each other out."

The four airlines will collaborate initially on engine maintenance, but this will expand

gradually to include avionics, major components such as landing gears and, eventually, airframe overhaul. It is understood that Malaysia Airlines and at least one other major carrier has been invited to join, although no decisions have been made yet.

In the first phase, Cathay will become the regional centre for Rolls-Royce engines, through its sister company Hong Kong Aircraft Engineering (HAECO). Thai will handle General Electric, with SIA's engineering subsidiary taking Pratt & Whitney and the CFM56-5 engines for the Airbus A340 and Garuda handling the CFM56-3 engines for the Boeing 737.

Although the agreement takes effect immediately, it is largely aimed at aircraft and engine types which have not yet been delivered. For example, Cathay will send the CFM56 engines on its new A340s to SIA for overhaul, while Thai would send the R-R Trents from its Boeing 777s to Cathay Pacific.

Although there have been previous discussions about collaborative ventures among Asian carriers, they have foundered on the mutual suspicion and occasional antagonism which still exist in the region. The only major success so far is the new HAECO-led maintenance company established in Xiamen, China, in which SIA has joined Cathay Pacific and Japan Airlines as partners. □ See *Asian Aerospace '94 Review*, P23.

## FAA forecasts robust US growth

The US Federal Aviation Administration's annual aviation forecast continues to predict that the USA's airlines will grow.

The Administration's *Aviation Forecasts Fiscal Years 1994-2005* projects that domestic air-carrier revenue passenger miles (RPMs) will increase at an annual rate of 3.7% between now and 2005. That assumes relatively modest growth in 1994 (3.4%), followed by stronger growth in 1995 (4.3%) and 1996 (4%).

The number of domestic passengers is forecast to increase by 3.2% this year, 4% in 1995, 3.7% in 1996 and by an average of 3.5% a year over the 12-year forecast period. The increases will result from significantly higher load factors, procurement of larger aircraft and longer passenger trips.

International air-carrier RPMs and passenger numbers are expected to rise at an annual rate of 6.3% and 6.5%, respectively, with strong demand projected in Latin American markets. Growth is constrained over the North Atlantic and transpacific markets because of economic condi-

tions. Aircraft operations are forecast to increase at an annual rate of nearly 2%.

The study assumes that real domestic passenger yields will decline slowly as competition and US airline re-structuring continue to exert downward pressure on fare levels.

It points to common themes of the current industry re-structuring, including new-aircraft deferrals, route realignments, workforce cutbacks and attempts to form multi-national carriers.

The delivery of large numbers of new Stage 3 aircraft, however, is expected to increase industry productivity. The forecast assumes that US carriers will convert to all Stage 3 fleets by the year 2000.

Regional carriers are expected to continue to purchase small jet aircraft and large turboprops, increasing the average seating capacity of the commuter fleet. By the year 2005, US regional airlines are expected to carry 105 million passengers annually and to account for 15% of all domestic passengers. In 1993, US regional carriers carried only 47 million passengers. □

## Icing blamed for Viscount crash

In-flight icing seems likely to have caused the fatal crash of a British World Airlines Vickers Viscount near Drointon, Stafford, UK on 25 February. Three of the aircraft's engines had failed.

Air traffic control says that the pilots, operating a freight service between Edinburgh and Coventry, had requested descent from 19,000ft (5,800m) because of icing. During the descent, they called for diversion to Birmingham, reporting first that two engines had failed, then a third.

The Viscount 810 crash killed one pilot immediately and critically injured the second. There were no passengers on the aircraft. □

### NEWS IN BRIEF

#### ATR CONNECTION

Delta Connection carrier Atlantic Southeast Airlines has purchased four more ATR 72-210s for delivery in June and July to its Atlanta, Georgia, hub. Delta Connection carrier SkyWest began Canada Regional Jet services on 1 March, linking Salt Lake City, Utah, with two Midwest cities.