Turboprop market ripe for mergers

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THE TURBOPROP market showed few clear signs of recovery in 1994, lending weight to moves for industry consolidation in the run-up to the alliance between ATR and Jetstream; exclusively reported in *Flight International*, 18-24 January issue.

Overall delivery numbers appear to be largely unchanged at a little below the 240 mark, although official figures have still to come in for some of the manufacturers. The industry's intake of new business edged up, helped by a surge of orders in the 30-seat market, while numbers of cancellations were also generally lower.

Despite some better news on orders, manufacturers report that prices are still under pressure, with one referring to deals being struck at discounts of more than one-third below list prices.

ATR continued to lead on numbers of deliveries, despite a dwindling backlog, which was hit by more cancellations in 1994. On present figures, an alliance with Jetstream would give the merged group a share of over 40% in the 30- to 70-seater market and, arguably, the highest bank of orders.

The moribund 19-seater market continues to be dominated by Beech and Fairchild, with Dornier shipping only six aircraft and Jetstream recording a single delivery and no new business. The two European manufacturers managed to notch up a string of new orders and commitments in the highly competitive 30-seater market, however.

The market for larger turboprops remains depressed, but Saab is optimistic that orders for the 2000 programme will pick up now that deliveries are finally under way. Fokker estimates that over the past four years, the 40- to 70-seat turboprop market has seen a net increase in order books of only 122 aircraft, with its own Fokker 50 accounting for 71 of those. ❑

Turboprop airliner deliveries and orders 1994

		1994			1993	
	Max seats	Deliveries	Orders	Backlog	Deliveries	Orders
ATR						
ATR 42	50	19	14	12	18	25
ATR 72	74	32	18	13	29	36
Total		**51**	**32**	**25**	**47**	**61**
Beech						
Beech 1900	19	**50**	**A57**	**A63**	**45**	**A15**
De Havilland						
Dash 8-100	39	17	6	8	14	12
Dash 8-200	39	0	6	6	0	0
Dash 8-300	56	12	8	10	5	13
Total		**29**	**20**	**24**	**19**	**25**
Dornier						
228	19	6	4	12	5	7
328	33	18	46	65	3	4
Total		**24**	**50**	**77**	**8**	**11**
Embraer						
EMB-120	30	**7**	**5**	**34**	**A16**	**A28**
Fairchild						
Metro 23	19	**A24**	**A35**	**A20**	**A21**	**A25**
Fokker						
Fokker 50	68	**17**	**21**	**14**	**21**	**2**
Jetstream						
J31	19	1	0	0	9	3
J41	29	17	67	62	15	2
ATP	72	1	3	5	3	3
J61	72	0	0	0	0	0
Total		**19**	**70**	**67**	**27**	**8**
Saab						
340B+	37	10	4	42	28	12
2000	58	5	3	34	0	0
Total		**16**	**7**	**76**	**28**	**12**

NOTES: Results are based on manufacturer figures which were available at time of going to press. Other figures have been taken from the Airclaims CASE database. Orders are given gross before cancellations. A = Airclaims CASE database

Defence sales give MDC a record year

A RECORD performance from the defence division in 1994 left McDonnell Douglas (MDC) showing its highest-ever profits, despite a further decline in civil-aircraft sales.

The group ended the year with net profits of $598 million, an improvement of more than $200 million on 1993. Operating profits also broke through the $1 billion mark for the first time.

The defence division led the way with its own series of records, turning in an operating profit of $708 million on its highest-ever sales of $7.8 billion. MDC says that the improvement came through strong performances on the F-18 and restructured C-17 programme.

The slimmed-down commercial-aircraft business also managed to lift operating profits marginally to $47 million, despite seeing sales plummet by more than one-third, to $3.2 billion. New-aircraft deliveries slumped to only 22 MD-80s and 17 MD-11s, virtually half of the 1993 output, while the net increase in orders was only three (*Flight International*, 18-24 January).

MDC says that commercial-aircraft profits were helped by a lower development expenditure and $32 million received from risk-sharing sub-contractors. These include Alenia, whose parent Finmeccanica group is still in talks over taking a stake in the Douglas Aircraft business.

MDC also gained $50 million in operating profits and $326 million in revenues from its financing arm, the portfolio of which includes leased aircraft.

The group highlights its improving financial performance, with cash flow from aerospace operations close to the $1 billion mark and debts down by more than 20%, at $1.6 billion. Workforce cuts during the year took group employment down, from 70,000 to below 65,800. ❑

NEWS IN BRIEF

■ ALITALIA STRIKE

Alitalia cancelled around 10% of its flights on 18 January because of the 4h strike staged by the AMPAC union. Some 34 domestic and 14 international services were scratched from a total of around 400, says the Italian carrier. The pilots are seeking wage rises in return for productivity increases.

Jobs to go at America West

AMERICA WEST Airlines is to shed around 1,100 jobs as part of a wider programme to cut costs to compete in the low-fares US airline market.

The streamlining plan aims to trim around $31 million off the carrier's $1.3 billion costs this year. The savings are then targeted to rise to $40 million a year. America West's 11,500 workforce will be reduced by around 10%.

The carrier has also unveiled a new employee-benefit scheme, which it says will be more competitive with those of other low-cost airlines. Up to 25% of base pay will be awarded to employees if key profit targets are met. A change in the scheme has been expected since the airline emerged from Chapter 11 bankruptcy protection in August 1994. ❑