Poland weighs up acquisition of Pakistan's embargoed F-16s

Poland has expressed interest in leasing or buying 28 Lockheed Martin F-16A/Bs originally intended for Pakistan. A Polish delegation has visited the USA to look at the aircraft, which are in desert storage, but it is not clear whether the US Government is in a position to release the embargoed aircraft to a third country.

Poland has also offered eight Boeing F-18C/Ds originally ordered by Thailand, which were repurchased by the US Government and are now destined for the US Marine Corps. In both cases, the aircraft are seen by Poland as an interim step towards the eventual purchase of 70 to 100 fighters, still three to four years away.

The US Government has been seeking a buyer for the embargoed F-16s in an effort to reimburse some of the $650 million Pakistan paid for the aircraft. After India's nuclear tests, reports circulated that the USA was considering lifting the embargo on Pakistan, but that evaporated when the country conducted its own nuclear tests.

Sources say the US Government is preparing information on the options available to Poland, which will be delivered within the next month. The USA has previously offered to lease the country ex-US Air Force F-16s or ex-US Navy F/A-18s.

Local reports suggest that Poland may also be considering leasing Bell AH-1 attack helicopters. The manufacturer is not aware of such a deal, but says it is in "very early discussions" with Poland on AH-1 coproduction.

Budget cuts force Chile to shelve fighter plans

Chile has postponed indefinitely the $600 million purchase of up to 24 new fighters, following Government budget cuts forced by the effects of the Asian economic crisis.

Buffered by falling copper prices and a growing budget deficit, the Chilean Government has imposed austerity measures, including "temporarily" delaying the fighter purchase, which would have been charged to the 1999 budget.

Four bidders - Boeing, Dassault, Lockheed Martin and Saab - had submitted best and final offers at the end of May and were hoping for a selection by the end of June. No new date for a decision has been set, although competitors are continuing to talk to the Chilean Government in the hope of salvaging the programme, possibly through an interim leasing deal.

The aircraft would have been paid for from the Chilean military's 10% share of copper export revenues, but these fell by two-thirds in the first quarter of the year because of the Asian crisis (Flight International, 10-16 June).

The Government says the decision to suspend the purchase of new fighters was agreed "in good will" with the Chilean air force after analysis of the economy.

IPTN Phoenix falls before Australian competition decision

IPTN has abandoned its attempt to sell a variant of the CN-235, the CN-235-330 Phoenix, to the Royal Australian Air Force (RAAF) to meet the service's requirement for a tactical transport intended to succeed its de Havilland DHC-4 Caribou.

The Indonesian aircraft manufacturer is blaming the withdrawal on International Monetary Fund (IMF) financing restrictions which forced it to look for an alternative to state aid to finance the project.

When the IMF bailed out the Indonesian economy, it also blocked state aid for the country's aerospace sector.

IPTN was unable to assemble an alternative finance package to meet the RAAF's request for tender (RFT) within the stated time scale. IPTN says the RAAF also refused to give it an extension to meet the RFT while it tried to stitch together financial backing for its bid. Shortlisted contenders for the RAAF programme - Light Tactical Airlift Capability (LTAC) Project Air 5190 - were Alenia/Lockheed Martin with the C-27J Spartan, CASA with both the CN-295 and CN-235 and IPTN with the Phoenix variant of the CN-235.

"The refusal of the RAAF to grant an extension to the RFT meant that IPTN could not formulate a recovery plan and develop a credible RFT response," says IPTN. "Accordingly, IPTN took the difficult decision to withdraw from the bidding."