Lido plans navigation breakthrough

ANDREW DOYLE/MUNICH

LUFTHANSA'S joint venture company with SAS and Air France.

The German company's entry into the FMS data market follows its abortive attempt to buy the existing database operated by Swissair, which pulled out of the deal early in 1999 after Lido had performed due diligence. Lido managing director Ralf Cabos says the company is developing its own FMS database and soliciting customers for an April launch. Lido has opened an office in Zurich, taking on former Swissair staff who had maintained that company's FMS database.

Swissair Flight Support is responsible for supplying FMS data to Swissair, KLM, SAS and Air France, which jointly own the Zurich database as the "KSSA" group, as well as to a large number of external customers. But Lido's plans have put KSSA's future in doubt, and Swissair has confirmed that talks have begun on its dissolution. SAS and Air France, and possibly KLM, may eventually join Lido to form the new FMS data joint venture company.

Industry sources say Swissair Flight Support is no longer for sale and is instead pursuing co-operation with Lido rival and dominant market player Jeppesen, although Swissair says it has no plans for "specific co-operation".

Meanwhile, Lido, SAS Flight Support and Air France Aeronautical are to formalise their previous announced charting tie-up by establishing a standalone joint venture in April.

The three currently operate as a "virtual company" through which they market and supply each other's products.

BFGoodrich sits in US ejection driver seat

BFGOODRICH has detailed a new strategy for its ejection seat business after stringing together a succession of deals to make it the USA's sole domestic producer in the sector.

The company bought Boeing's ACES II ejection seat product line in November, following its 1998 acquisition of United Propulsion's Stencil seat line, and has agreed to buy IBP Aerospace, which is working with Russian manufacturer Zvezda to Westernise the K-36 ejection seat.

BFG plans to consolidate ejection seat engineering at its Phoenix, Arizona-based Safety Systems division, and manufacturing at its AIM crew seat unit in Boulder, Colorado.

A plant set up by IBP in Hartford, Connecticut, to manufacture the K-36 seat will be retained, says Bill Walthall, Safety Systems vice-president.

BFG's major competitor, the UK's Martin Baker, plans to establish a US plant, initially to upgrade its US Navy ACES seat, but later to produce seats for the US market. Both companies are competing to supply ejection seats for the 3,000-aircraft Joint Strike Fighter (JSF) programme, as well as for Northrop T-38 and F-5 upgrades.

Walthall says BFG plans to offer Westernised K-36/3.5A seats for the JSF and T-38/F-5 and develop a "fourth-generation" ejection seat in two to three years' time.

Airline investors finalise Iberia shareholding

INVESTORS, including British Airways and American Airlines, have finalised accords for taking stakes in Iberia after agreeing a value for the airline with the Spanish Government, clearing the way for its privatisation. The deal, signed on 15 December, followed several months of negotiations between the core investors and state holding company SEPI.

Iberia's market value has been established at €2.73 billion ($2.73 billion), 21.6% less than the original value set by SEPI. The new value reflects 1999 profits, which are expected to be about half original estimates. The private shareholders will take a 40% stake in Iberia, with BA controlling 9% and American 1%.

BA wins the right to appoint two directors to Iberia's board, and has named Roger Maynard, its director of investments and joint ventures, and former UK foreign minister Lord Garel-Jones, now with investment bankers Warburg Dillon Read.

Institutional shareholders have also concluded agreements, with Caja Madrid, the BBV bank, Logistica, El Corte Ingles and Ahorro Corp together taking 30% and appointing four directors.

About 6% of Iberia is held by employees, and the remaining 54% will be floated next year. Spanish industry minister Josep Piqué says the stock market offering will not take place before legislative elections next March.

BAE Systems and Lockheed Martin head KAI bids

OVERSEAS CANDIDATES competing for a possible 30% stake in newly formed Korean Aerospace Industries (KAI) have submitted their bids, with the UK's BAE Systems and US giant Lockheed Martin - in partnership with Aerospatiale Matra - leading the way.

The applications to become KAI's foreign direct investor were submitted to its financial adviser, Deutsche Bank, and were scheduled to be evaluated by the end of 1999.

Daimler-Chrysler Aerospace (Dasa) was thought to be planning to bid before its decision to team up with Aerospatiale Matra in European Aeronautic, Defense and Space (EADS), but has not submitted a proposal.

The German company says its withdrawal relates to concerns about the number of international partnerships it is now pursuing, rather than its ties with Aerospatiale Matra.

KAI - comprising the aerospace divisions of Samsung, Hyundai and Daewoo is understood to be close to official formation.

Controversy was triggered recently when it was revealed that BAE Systems had simultaneously been in negotiations to acquire a controlling stake in Hyundai Space & Aircraft (Flight International, 8-14 December).