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Manufacturer has several irons in fire

Business Courier of Cincinnati - by [Jon Newberry](#) Staff Reporter

Aside from the travails of the commercial airline industry, **GE Aviation** is also busy in other segments.

The **Pentagon** this week said it will rebid a \$35 billion contract for refueling tankers that was awarded to a team led by EADS, the French-German parent of Airbus, and **Northrop-Grumman Corp.** The plane was to have been powered by GE engines made in Evendale, generating more than \$5 billion in sales and service revenue for GE. But Congress's General Accounting Office determined that the competition between EADS-Northrop and a **Boeing** proposal that includes **Pratt & Whitney** engines was flawed.

Chet Fuller, general manager of marketing, said GE will have a role to play regardless of who eventually wins the tanker order. It supplies the engines if the EADS-Northrop bid wins, but it also has a part in the Boeing proposal. GE's Smiths Aerospace unit, which it acquired last year, makes the refueling systems on the Boeing tanker. GE hasn't said how much that would be worth in revenue, but it would be less than \$5 billion, Fuller said.

GE is also moving into the fast-growing market for much smaller commercial engines than it has made in the past. **GE Honda Aero Engines LLC**, a joint venture with the carmaker, is scheduled to begin producing engines for small-business jets in 2009 at GE's plant in Lynn, Mass., and inaugurate its own production plant in 2010. The initial application will be on a twin-engine HondaJet for which Honda already has more than 100 orders.

Itching for a share

Airline consulting firm Forecast International has projected that sales of small-business jets will more than double over the next decade, compared to the preceding decade, to about 15,000. Cutbacks by commercial airlines and the resulting flight delays are helping to fuel the segment's growth, it said.

Fuller said GE is itching for a share of it. "Business aviation has been a big miss for us," he said.

The company also has picked up a Czech turboprop engine that it intends to develop to compete with Pratt's PP6 turboprop, that company's largest-selling aircraft engine. Pratt has 30,000 PP6s in service globally. GE's engine is made in Prague, Czech Republic, by **Walter Engines**, which it bought earlier this month.

"We're going to invest GE materials and aerodynamics and make it more durable than Pratt's PP6, with lower maintenance cost and much lower price," Fuller said.

The propeller engine will be targeted to cost-conscious markets in Eastern Europe, developing countries and niche agricultural and cargo applications.

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