

A320



Airbus Industrie A320: The Great British Breakthrough

During the 1980s the A320 narrow-body airliner transformed the fortunes of British Aerospace and its European partners, handsomely repaying the UK government's launch funding several times over and reversing the dismal record of Britain's launch aid policy. It very nearly didn't happen, explains **Prof KEITH HAYWARD FRAeS**

THE UK TREASURY has never been much of a fan of British civil aerospace. Over the years its officials have made frequent reference to a long history of failed airliners backed by taxpayers' money. In 1982 the Airbus A320 narrow-body airliner looked, to sceptical Treasury eyes, like just another addition to the list of post-1945 "total disasters".¹ The same company's A300 and A310 wide-body long-range airliners were picking up sales, including a controversial order from Eastern Air Lines in the USA, but Airbus's market penetration hardly constituted an overwhelming challenge to the Americans. However, the A320 would take Airbus Industrie (AI) into new territory; by exploiting a step-change in control systems — i.e. fly-by-wire — it would provide the foundation for a major European success.

In the UK the government's decision to support the A320 would be a key step in determining "the future orientation of UK civil aerospace policy".² In retrospect, its importance cannot be understated; with more than 11,300 sales, the A320 represents a complete vindication of British Aerospace's determination to re-enter the Airbus programme as a full member in 1978. Indeed, this one project would repay the entire British public investment in civil aircraft since 1945.

Given a new lease of life in the early 2010s as the re-engined A320neo, the aircraft is the core of Airbus's dominance in the global single-aisle airliner market. But back in the early 1980s the fate of the A320 hinged on convincing Margaret Thatcher, the British Prime Minister, that it would not be "another Concorde".

Launching the A320

Airbus Industrie formally revealed the A320 concept in June 1981 at the Paris Air Show. The French government was keen from the outset to expand the Airbus family and quickly announced support for the project, along with a new variant of the Franco-American CFM56 high-bypass turbofan engine to power it. But the German, and especially the British, governments were more sceptical when presented with the innovative A320. In the UK matters were complicated by the "privatisation" of British Aerospace (BAe) in two stages during 1981–85. Although this appeared to allow BAe access to launch aid — in which the government provided up to 50 per cent of non-recurring development costs to be repaid through a levy on sales — the Thatcher government argued that privatisation had been designed precisely to end this policy. If BAe wanted to participate in



ABOVE In 1982 Airbus was not short of hubris: "Airbus has already achieved its goal of obtaining a consistent 30 per cent share of the twin-aisle aircraft market. Now it's poised to make a similar impression on the single-aisle market, with only one competitor on the horizon . . . Airbus is the only thing standing between the airlines and a monopoly. Join the freedom fighters".

the A320, it had to raise the money from its own resources or the City.

The UK Treasury and the Department of Trade & Industry (DTI) waited for a request from BAe for launch aid. The Treasury felt that as BAe had not rushed to apply, it was a sign that the company had broken the habit of applying for launch aid and was going to fund development independently. But the DTI believed it was "a cast-iron certainty that BAe will not want to participate in the A320 without (probably substantial) launch aid from HMG [Her Majesty's Government]". If that was the case, stated Treasury officials, "we would see great difficulties in providing [launch aid]". The company was in a healthy financial position and could raise the capital from other sources; a Treasury note states that it did not "seem to us to have a very strong claim". It would be a test of privatisation and "crucial that BAe plc be seen to stand on its own, independent of government and wholly free from government control".³

OPPOSITE PAGE The Airbus A320 prototype, F-WWAI (c/n 001), fitted with International Aero Engines V2500 turbofan engines, at the SBAC show at Farnborough in 1988. The prototype made its maiden flight with CFM56 engines on February 22, 1987, the development programme having been officially launched in March 1984. MIKE HOOKS