

Following its withdrawal, Britain decided to develop its own replacement for Type-42 destroyers (expected to enter service in 2007). The British Type-45 anti-air warfare destroyer (AAW) program will be more expensive than a multinational program. It is estimated that a multinational production of the 12 air-defence frigates would have cost 4.5 billion pounds as opposed to the cost of 5.5 billion pounds for a national program (currently appraised at 6 billion pounds.)⁷⁶ After several months of negotiations concerning workshare and funding arrangements, the Italian and French governments decided to continue the project on a bi-national basis and build two Horizon frigates each for the French and Italian navies with the expectation of orders for more vessels. The project is expected to cost \$3.2 billion and the first frigates are scheduled to enter service in 2005.⁷⁷ Tri-national cooperation will continue on the frigate's primary weapon system — the Principal Anti-Air Missile System (PAAMS). It will arm the Type-45 destroyer developed independently by the UK, saving the British defence budget about 500 million pounds.

The above-mentioned UK House of Commons Defence Committee report drew lessons from the CNGF fiasco. It pointed out a need for "harmonised procurement and project-management procedures... along with a genuinely transnational industrial base..., the agreement in detail of affordable, achievable operational requirements; and the establishment of an industrial organisation that meets the requirements of industry and governments."⁷⁸

Eurocopter, Astrium, and Helios

The Franco-German Eurocopter venture, composed of Aerospatiale and DASA, is faring well after a prolonged downturn caused by insufficient orders. In 1997, it received 303 new orders, up 14 percent from a year before. It now occupies a 53 percent share of the world market for civil helicopters and 47 percent of the military sector in profit terms.⁷⁹ It has expanded its range of systems by two new models — the NH90 tactical transport and naval helicopter and Tiger combat helicopter — in addition to its Dauphin, and Super Puma helicopters. However, it faces challenges from shrinking markets, especially in East Asia that is grappling with economic downturn, and serious competition from American counterparts, such as Bell Helicopter Textron producing AH-1 Cobra and Boeing-McDonnell Douglas making AH-64 Apache combat helicopters.

Europeans are cooperating in space exploration and the utilisation of space systems for military purposes. In the fall 1999, Marconi Electronic Systems (in the process of merging with BAe), DASA and Aerospatiale-Matra agreed to consolidate their space operations and establish Astrium. Following the expected entry of the Alenia Spazio component of Italy's Finmeccanica, the European tri-national space company will provide "military and civilian services in the field of earth observation, telecommunications, science, launcher and orbital infrastructure."⁸⁰ The

76. Richard Scott, "Type 45 programme steams ahead," *Jane's Defence Weekly* (1 Dec. 1999), p. 2.

77. J. A. C. Lewis, "France and Italy agree to build Horizon frigate," *Jane's Defence Weekly* (22 Sept. 1999), p. 14.

78. "UK report," p. 8.

79. Pierre Tran, "Eurocopter Turns 1998 Profit, Eyes New Deals," *Reuters*, 22 Jan. 1998, <http://www.cdi.org/ArmsTradeDatabase/>.

80. "Space company formed," *Jane's Defense Weekly* (27 Oct. 1999), p. 18.