

a marginal premium, then MHS will have to opt for modernization of the existing fleet. Modernization of each Sikorsky S61N aircraft will cost about US\$3 million, while a brand new Sikorsky S61N carries a price tag of between US\$9 and 10 million.

In addition to its fleet modernization plans, MHS has also announced plans to diversify into general aviation activities other than scheduled air operations. This would include corporate /executive charter, executive transport to the Government and private sector, ad hoc charter, aerial photo survey, etc.

MHS currently has three fixed wing aircraft, i.e two Twin Otters which are used as utility aircraft and one B.Ae HS125-700B which is used for executive transport. For possible new executive transport MHS is interested in an aircraft such as the Gulf Stream G1. Although the G1 is considered an "old technology" aircraft, some of MHS's clients have expressed interest in it.

MHS is also interested in purchasing 19-20 seater aircraft, similar to the Twin Otter, for its operation in East Malaysia.

The King Air has also been considered as a possibility for executive jet transport. However, it is not deemed as a suitable aircraft for trips less than 200 miles on a regular basis.

### 3.1.1 Aircraft Parts and Engines

MHS currently deals with six main aircraft engine manufacturers, namely :

- i) Pratt & Whitney (Canada)
- ii) GEC (USA)
- iii) Allison (USA)
- iv) Garrett (USA)
- v) Rolls Royce (U.K)
- vi) Turbomeca (France) - Helicopter Engines

There is a strong possibility that MHS may acquire more Pratt and Whitney engines in the near future. The new Bell 412 helicopter which MHS took delivery of in June 1989 is powered by a Pratt and Whitney engine. As pointed out earlier MHS is in the market for another two medium sized helicopters (most likely another two Bell 412's) and there is a strong possibility that these new aircraft will likewise be powered by Pratt and Whitney engines.

### 3.1.2 Avionics and Related Equipment

The navigational system on the newly purchased Bell 412 is supplied by Marconi of Canada. MHS sources its avionics equipment from three main manufacturers, i.e :

- i) Collins (USA) - high frequency radio. automatic direction finder
- ii) Kings (USA) - radio transceivers
- iii) Bendix (USA) - navigation system