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FEATURE

Shannon Region

A major development on the Irish aviation scene

SHANNON AEROSPACE

ARTHUR QUINLAN reports on plans for a World Aviation Centre at Shannon

A MAJOR world aviation centre is being negotiated for Shannon Airport by the Development Company in association with GPA. This would include new investment projects in component overhaul, machine shops, maintenance management services, repair development, software development, spares leasing, interior equipment manufacture, avionics and distribution.

A prime factor which has brought this activity to its present stage of promotion is the recent establishment of the £20 million Shannon Aerospace, which is the first phase of a unique industrial joint venture to establish a major new European aircraft overhaul and maintenance facility at Shannon. Over the next four years it is expected that this alone will create 1,000 industrial jobs directly.

Mr Paul Sheane, industrial group director with Shannon Development, said that aviation activity produces indirect additional employment of between four or five to one. "This means," he said, "that on the Aerospace project alone you are looking at potentially 5,000 additional jobs within the next five years and that is possibly underplaying the potential."

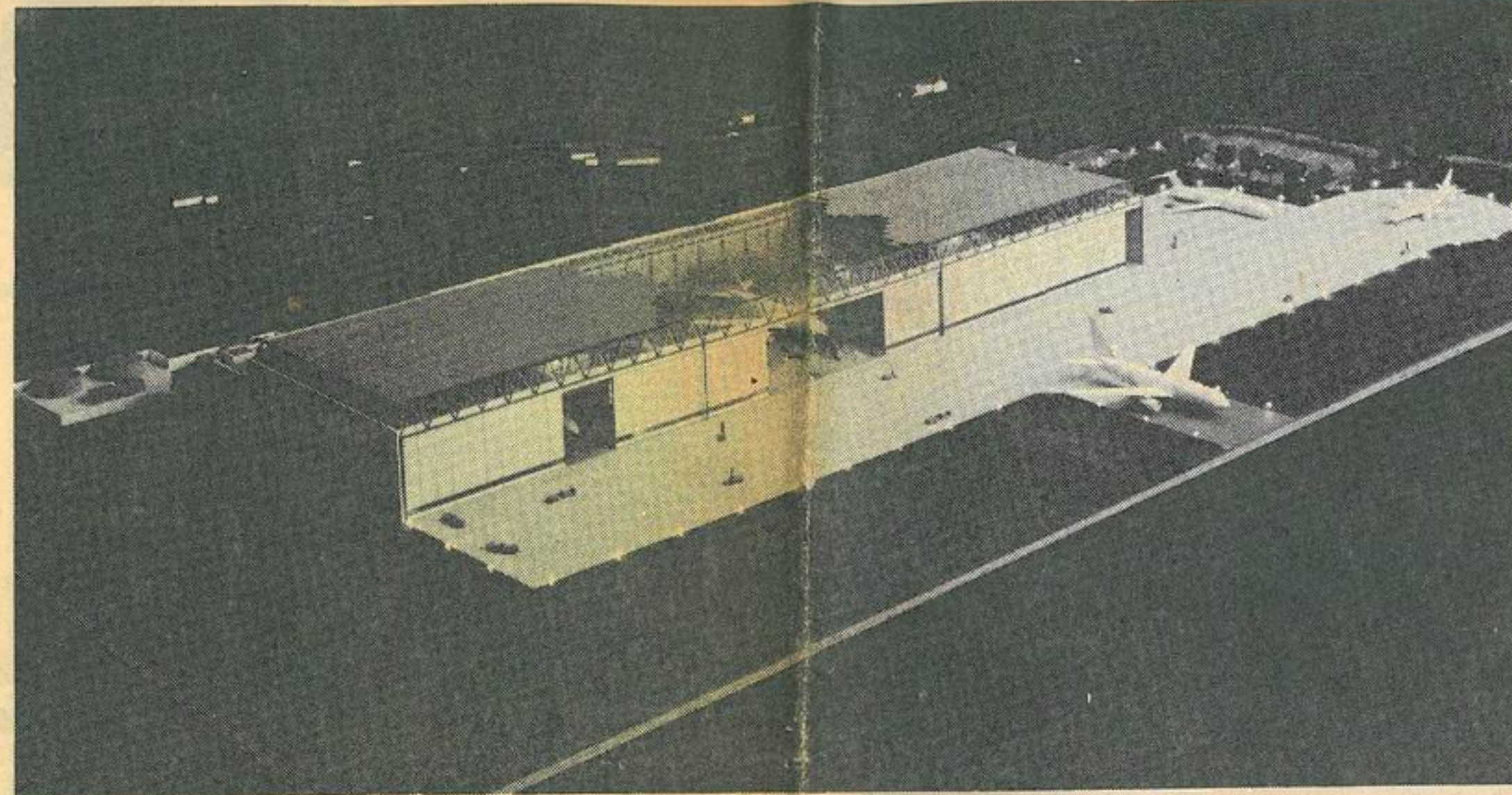
Although the Shannon Development company technical people

had been working on this world aviation centre plan for some time, it was first spoken of publicly by Dr T. A. Ryan, chairman and chief executive of GPA Group Shannon, when he addressed the Irish Airline Pilots' Association last March.

He said that Ireland's progress in the recent past had been significantly stimulated by aviation. In ownership terms, he said, Ireland had by far more jet aircraft per capita than any other country in the world. There were 22 jet aircraft on the Irish register in 1980 and 79 by the end of 1989. The number of Irish licensed pilots earning a living in this country has increased by 30 per cent, and the number of people holding private pilot licences had grown by what he called "a remarkable 60 per cent."

GPA has now emerged as the world's largest purchaser of new aircraft and has given Ireland an important critical mass from which to move forward. With over 700 new jet aircraft on order, GPA will buy or acquire about 10 per cent of all commercial aircraft in the 1990s. This will rank Ireland, surprisingly, as third in the world behind only the United States and the USSR in terms of aircraft ownership.

Dr Ryan went on to say "if we make the necessary commitment now, we can establish Ireland as a world aviation centre. The horizon for our opportunity is as



An architect's model of the Shannon Aerospace facility which will be used for aircraft maintenance

far out as we may be brave enough to see it."

He then announced that GPA, with Swissair and Lufthansa, the German airline, would start immediate construction of a major maintenance base at Shannon, which would have 1,000 people employed by 1995 and that they would also be setting up a flight training school at the airport.

The airport is, incidentally, the site of a training school already. Brian Carpenter has been running a pilot training school at Shannon

for many years now, with Westair Aviation. He has the only helicopter training school in the country and has two Robinsons, a Jet Ranger and a Bell 222 helicopters in use.

Mr Paul Sheane said that Shannon has always had a tradition for aviation activity. "Right now we have a large number of aviation related operations, both service and management, based in the area." He said that there is at present a massive growth being experienced by the aviation industry worldwide and that, coupled

with the establishment of the Shannon Aerospace Maintenance Product, leaves the area poised for a massive incremental growth in the level of such activities.

Mr Sheane said that Shannon had built all this up project by project in such a way that "we are now going to do a major leap in the activities here because we have got to the stage where we have a critical mass and we are dealing with an activity centre that is experiencing a very high growth."

He said that the company, with

the co-operation of GPA, was actively promoting the aviation centre abroad. The enquiries that are coming from the Development Company offices, particularly in the United States, he said, "have confirmed the interest in Shannon as a major aviation centre and it is now being recognised as a centre on a world scale."

Mr Sheane said that Singapore has taken a similar approach and is well known as an aviation maintenance place. "Singapore is probably more integrated, and that is the sort of thing we are

looking at." He added, "we have the airport, we have the infrastructure and the skilled people and right now we are actually building on what has already been put in place."

Aer Rianta, as the authority which runs the airport, and the University of Limerick, will be heavily involved with the new development because of the high level of skills needed. The fact that GPA has sponsored a Chair of Aircraft Engineering at the University of Limerick is an important factor, as is the degree of skills involved in the Plassey Technological Park on the university campus.

It was pointed out that the leasing companies already established at Shannon will be continuing to promote the airport as an aircraft leasing base. This was an aspect of aviation which, because of its success, helped to build up the promotion.

Apart from the highly established GPA with assets of £1,700 million, IAS (International Aircraft Services), which was set up at Shannon in 1981, has been building up a steady business in aircraft leasing. It is now quite sizeable in leasing and related business, with current assets of £838 million, and employs 60 people in its various operations at Shannon. The company president, Mr Gerry Connolly, predicts profits of more than £20 million in the current year compared with £13.5 million last year.

There are a number of important manufacturing companies at Shannon which are making a major contribution to the aviation industry. These include SPS, one of the first American plants to be set up at Shannon, which supplies the fasteners for the aircraft industry and has produced similar materials for the space pro-

gramme. SRS Aviation and Shannon Aircraft Motor Works are also heavily involved in the technical area. The latter company, since it was established two years ago, is serving the aviation industry world-wide. Previously, this work was being done in the south-east of the United States.

SRS Aviation, which is a wholly owned subsidiary of Aer Lingus, was first established at Shannon in 1962 to provide traffic handling and maintenance. Five years ago, it established a metrological laboratory to provide a calibration and repair service for a broad range of measuring devices currently in use in the aviation industry.

Mr Peter Sutherland, chairman of Shannon Aerospace and former EC Commissioner, responsible for the liberalisation of our travel, recently stated that the aviation industry is not only larger than all of the world's military budgets combined, but also it is growing at an annual rate in excess of five per cent. He said that Europe can be at the upper end of the spectrum of world growth rates in the 1990s. This, he said, will be due to the completion of economic integration within EC, post-1992, the progressive liberalisation of air transport and the opening up of Eastern and Central Europe.

With a population of only 3.5 million out of Europe's 547 million, Ireland's role in the development of aviation is far more significant than might be expected, Mr Sutherland said. He added that GPA is committed to developing a major Aerospace Park at Shannon and to "oversee this activity which will play an important role in bringing economic prosperity to a lesser developed part of the European Community."

Linking East and West

WITH five separate registered and active ventures being conducted with the Soviet Union, Aer Rianta International has more involvement with that vast country than have many nations. Former EC Commissioner Peter Sutherland recently declared that, as a result of a series of important aeronautical relationships with the Soviet Union, "Ireland has found a significant role in linking East and West, with Shannon now being a key part of Aeroflot's rapidly developing international network."

What is not generally known,

AER RIANTA

Ireland's aeronautical ties with the USSR are considerable and they go back further to a curious episode in the mid-1940s, writes ARTHUR QUINLAN

purpose was to draw up the legal basis for the operations and regulations governing transatlantic flying in the post war years. The Irish delegation, representing a neutral nation, were happy to have been invited to attend. Some reserve was expressed later by the Canadians that it was not entirely appropriate for Ireland, a neutral country, to have a central

the pattern of post-war aviation". At Chicago there was considerable competition for election to membership of the permanent council of the organisation. Because of a change of policy, a Soviet delegation was recalled while en route and expressed no further interest and Ireland was elected to the vacant seat. Dr O'Driscoll, one of the archi-



Peter Sutherland: Shannon is now "a key part of Aeroflot's rapidly developing international network".

Limerick moving on all fronts

THE NUMBER of new houses and apartments being built both in and around Limerick city is growing fast. In 1989, about 350 houses and apartments received planning permission from Limerick Corporation, leading to an increase in new housing stock significant in a city of 56,000 people.

The housing developments fall into two broad categories: small or relatively small numbers of houses and apartments in mixed commercial/residential developments, and straightforward housing estates, with larger numbers of houses and apartments. There is a noticeable trend towards apartments — something almost

for newcomers and those trading up.

Examples of asking prices on one auctioneer's list include town houses at £23,000, £26,000, £30,000, £41,000, £54,000, all the way up to £90,000 and over. Semi-detached examples range from £28,500 to £90,000. It should be noted that examples of both lower and higher prices could also be found — these are just "snapshot prices" on a particular day at one auctioneer's.

A large, luxury hotel, conference and leisure complex is under construction just outside the city in Castletroy, beside the Plassey Technological Park. In the inner city, a feasibility study for a hotel and conference centre near the new Shannon Bridge at mount Kenneth is being prepared.

The scheme is to connect prime sections of O'Connell Street and William Street, and is expected to appeal to the big names in the multiple retail scene. A 350-space multi-storey car park and 25 apartments are included in the plan.

A good amount of quality office space has been built in recent months, and more is being added. The latest project is 5,000 sq ft on four floors, with 21 car parking spaces, at mount Kenneth, in the newly designated area of the city.

Anna Nolan

LIMERICK HARBOUR COMMISSIONERS



Union, admittedly unknown to them at the time, that gave Ireland its first important stake in the corridors of power of the administration and decision making on transatlantic aviation. The opportunity, in turn, led to the setting up of the first customs free airport and duty shops in the world at Shannon.

It all happened at a conference called by the United States Government at Chicago in 1944. The

The conference went on for some time and when an agreement was signed in 1945 it opened up the Atlantic and Europe to the United States airlines. At the time, Winston Churchill, the British Prime Minister, protested to President Roosevelt, shortly before he died, about the "neutral" issue, but the US President, to quote the Irish delegate to that conference, Dr Tim O'Driscoll, replied that he was "dealing with

the concept was he said "entirely new and was accepted with great enthusiasm. Our trump card was that Shannon, which was now well developed, was on the most westerly point of Europe and therefore of strategic importance." But for the imaginative thinking which led to the establishment of the world's first Customs Free Airport in April 1947, Shannon might well have remained just a refuelling stop with diminishing importance over the next few years with the increasing range of aircraft.

In April 1969, Aer Rianta took over the responsibility for the management of Shannon and Cork airports on behalf of the Department of Transport and Power. Shannon shops and restaurants from the beginning had been operated on contract by the Sales and Catering Service under Brendan O'Regan, until he retired in April 1973. Last year the shops and mail order earned £18.6 million in sales, with catering taking in another £8.7 million, making it a total of £49.2 million in revenue for Aer Rianta at Shannon, including aircraft fees.

As well as this, the company runs the College of Hotel Management and the Castle Tours, which operate mediaeval banquets at Bunratty, Knappogue and Dunguaire castles in the Shannon region. Banqueting services also earned £2.1 million last year.

An exciting new development came in July 1979, when Aer Rianta and Aeroflot entered an agreement to store Soviet Fuel at Shannon to service transit flights through the airport. This was a significant move, for some years previously when Shannon was so dependent on charter flights for its very existence, there was difficulty at times in obtaining fuel from the big three companies because of pressure from the major schedule overseas airlines who were their main customers.

It also was the beginning of the highly successful Shannon Soviet relations. The Limerick Harbour

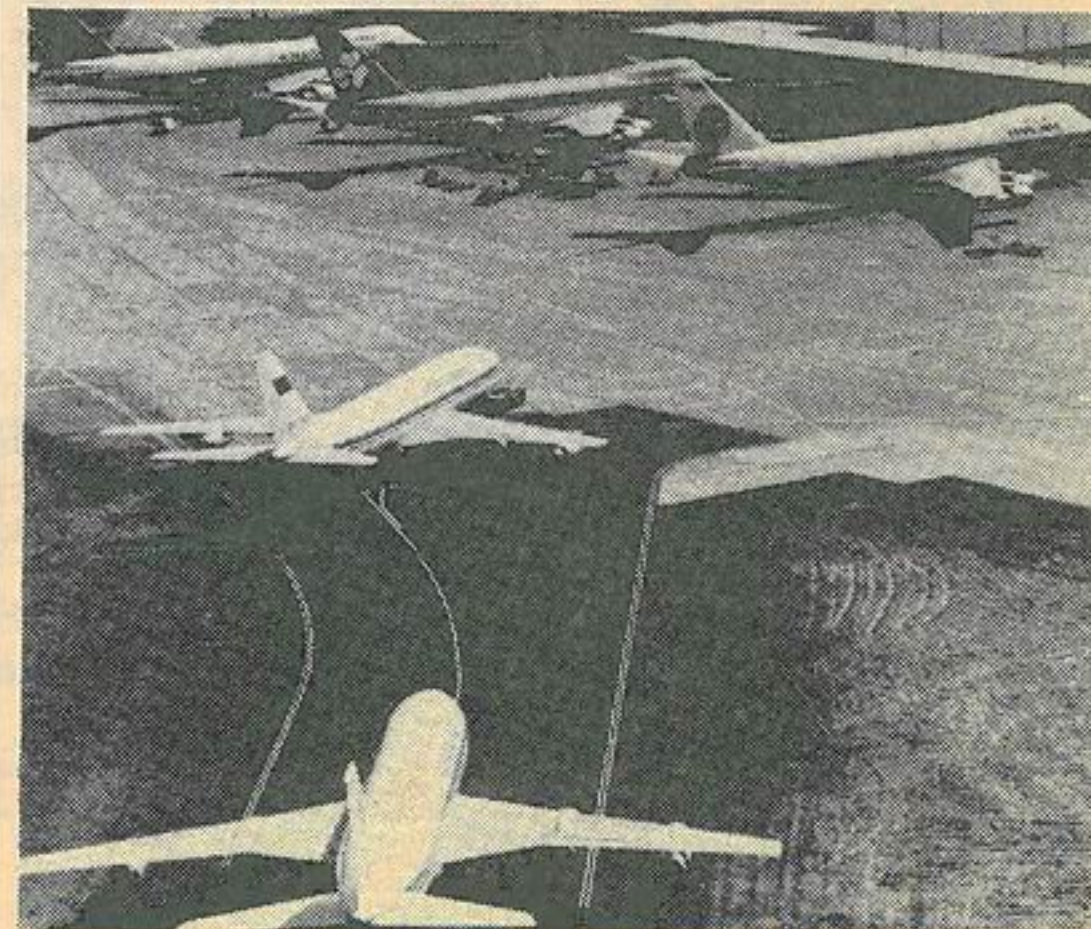
Commissioners had provided a jetty at Derrish Island on the river Shannon beside the airport, from which they collect dues on fuel brought in from the Soviet Union. The first Soviet tanker to unload was the Ardatoy which on June 11th, 1980, brought in a quarter million gallons of Soviet fuel. On July 3rd, Aeroflot began using Shannon as a technical stopover point between Moscow and central and South American destinations.

Outside of Aer Lingus, which is the best customer, Aeroflot provide the biggest service to Shannon and this month they inaugurated their sixth South and Central American route. This links Moscow with Santiago, Chile, which is 7,000 miles from Shannon.

In February 1988, came the announcement of a joint Aer Rianta/Aeroflot company called Aerofirst set up to carry out a number of exciting projects. Included was the plan to establish the operation of a duty-free shop at Moscow's Sheremetyevo International airport. Three months later, two shops were opened there and 50 Aer Rianta staff moved in to take over. In November of that year, the Irish company secured agreement to operate duty-free shopping at Leningrad's Pulkova Airport and set up a duty-free sales outlet on the Russian Finnish border.

Mr Liam Skelly, who is director general of Aer Rianta International, a separate group formed to operate these new ventures said, "we now find ourselves in the remarkable position of extending the frontiers of duty-free now, from the Baltic down to the Caspian Sea and, with the Pacific firmly in sight, against the background of the historical events occurring in the Soviet Union and eastern Europe." He said that they had developed a close relationship with Aeroflot so that when perestroika emerged as government policy, "we were able to approach them to investigate opportunities for initiating joint ventures. The Soviets made it clear to us that they found Aer Rianta attractive to deal with."

Mr Skelly added: "this was because we were a neutral country, Aer Rianta was a State company which had been profitable and they had a good track record with Aeroflot based on openness, honesty, friendliness and a genuine desire to be helpful."



Soviet, Irish and US airliners at Shannon.

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