

BELL HELICOPTER EYES GULF DEALS

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The US helicopter manufacturer Bell Helicopter expects to clinch a deal with the UAE military this year as it expands its military business outside the home ground.

The Texas-based company that has as its major client the US government, has supplied Bell 412 and Bell 212 models to Abu Dhabi Aviation, which uses 44 of its helicopters.

"We have a lot of interest in the [Arabian] Gulf and we expect it to be a good year this year for the military division of our business," said Douglas Wolfe, the director for the Middle East and North Africa region for global military business development at Bell Helicopter, ahead of the International Defence Exhibition and Conference that starts in the capital on Sunday. "The low oil prices did not affect the military business as we did not see a slowdown."

Local manufacturing of some parts of Bell helicopters could be a possibility in the future if it gets a deal with the UAE, Mr Wolfe said.

The strong dollar is not expected to affect regional procurements "because of the importance of the equipment", he said.

UAE military spending, which slowed down in the past couple of years, is expected to recover. This year, the country's defence budget is expected to be US\$19.76 billion, according to Jane's Defence Budgets, up from an estimated \$18.66bn last year and \$18.16bn in 2015. The UAE does not publish its defence budget.

Saudi and Omani military spending is likely to decrease this year. The Saudi military budget is expected at 190.8bn Saudi riyals (Dh186.87bn) this year, compared with 205bn riyals last year.

Oman will reduce its security spending to 3.3bn Omani rials (Dh31.46bn) this year from 3.5bn rials last year, according to Jane's.

Bell Helicopter is developing a V-280 model, which the manufacturer expects to compete with Boeing's Apache and Chinook and Sikorsky Aircraft's Black Hawk helicopters. Under development for the US army, the V-280 is expected to make its first flight this year.

About 64 per cent of Bell Helicopter's turnover comes from sales to the US government but globally it started supplying foreign armies in 2015. So far it has sold 12 advanced attack AZ-1H choppers to Pakistan and 10 V-22s to Japan.

In March last year, it won a US\$461 million contract to supply the US marine corps with 24 new utility and attack helicopters, including 12 UH-1Y Venom utility helicopters and 16 AH-1Z Viper attack helicopters.

Bell Helicopter revenues were down \$148m year-on-year to \$887m in the three months ending December 31, but profit was up \$2m to \$126m. Its parent company textron manufactures Cessna aircraft.

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