

HIGH HOPES FOR BRITISH AIRWAYS

Sir Colin Marshall, Chief Executive of British Airways, has promised that the company's priorities for 1992 will be to stay with the competition on the North Atlantic route, and to maximise the benefits of the new European liberalisation. However, what Sir Colin does not say is just as important as what he does, in particular, he has made no comment on the group's negotiations with KLM.

If this deal goes through, it will expose BA to the rewards (and possible dangers) of the huge US market. BA have already missed a chance to shut rival airline United out of Heathrow; now the company desperately needs a link up with a US carrier. KLM has a 500 million dollar stake in Northwest, but if BA takes the plunge, it will have to be careful that it does not take on any of Northwest's 2 billion dollar liabilities. The temptation though is that a successful tie up with both airlines would give BA access to Detroit and thereby the Pacific, making it a truly international airline. As 1992 looks like being his last full year as Chairman, this could make a nice retirement present for high-flying Lord King.

