

ANDREW MARR SHOW

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KATHERINE BENNETT

AM: Can I start off by talking about this super-Jumbo and the cancellation of that? That is, to be clear, nothing to do with Brexit?

KB: Nothing to do with Brexit. It is a huge icon and we're very sad to have made this decision. Big economic business case we had to look at. But as you say, 14,000 people designing and building those wings and we're sad to see it go, but there's a great future, we've got lots of other products that airlines are all doing we're very positive about.

AM: So does the demise of this beautiful super-Jumbo mean that we're actually going to see job losses as a result in Britain?

KB: In the UK we employ directly about 200 working on the A380. Now, those jobs will have plenty of work to do actually, because this aircraft is going to be flying well into the 2030s.

AM: Still needs its wings.

KB: Absolutely. Still needs those wings and the landing gear and the fuel systems. So there's plenty of work to be done and those people will go across to work on some of our other products.

AM: It came out just after the financial crash of 2008, a difficult time to be selling a new product, and there were issues about the hubs that it was using and so on. For people who travel a lot, are interested in aircraft, what is the next big thing for Airbus?

KB: So we're looking forward, so we have the A350 aircraft which has already been launched and flying. Fastest-selling aircraft in aviation history. We're very proud of that. A lot of the work we did on the A380 has been transposed into the A350. So, for example, composite wings which will reduce fuel consumption etc. So that's

what we're looking forward to, and also perhaps some electric aircraft projects into the future.

AM: Very exciting. Can I turn to Brexit? Inevitably we were going to talk about that. Tom Enders, just to remind people, the chief executive, said, 'if there is a no deal Brexit we at Airbus will have to make potentially very harmful decisions for the UK. The UK's aerospace sector now stands at a precipice.' What are those harmful decisions?

KB: Well, it's quite clear for all of us the clock is ticking and Airbus, like many, many other businesses has spoken up. What we're concerned about is the prospect of a no deal. There's no such thing as a managed no deal. It's absolutely catastrophic for us. And this is why we wanted to speak up and our CEO has felt it important to speak up on behalf of our sector which is a really important contributor to the UK economy.

AM: You've got three major plants in the UK, and as I say, 14,000 people working here. Are you saying that if there is no deal ultimately you'll have to leave Britain?

KB: So what we're saying is that some difficult decisions will have to be made if there's no deal, and we're very optimistic that there won't be no deal and that's why we're speaking up. If there's no deal we will have to look at future investments, and we've got plenty of work to do in the forthcoming months and years. It is the future decisions, and that's what I want to see, I want my country to be a good place to invest.

AM: How many years of production do you have if there is no deal?

KB: We've got a huge, huge backlog of orders, 9,000 aircraft to produce. So it will be many, many years yet. But there will be decisions coming down the line in the next few years where my company will have to look seriously at investments.

AM: So it's things that would have been built in Britain that will be built somewhere else rather than moving jobs that are here at the moment?

KB: Exactly. And actually new technology. One of the things we're very proud of is the design and technology work, the innovation that we have here in the UK, and European collaboration is so important for future technology. Aerospace is an international business and I want the UK to remain part of that.

AM: Back in 2016, at the time of the referendum, Airbus said, 'We're not going anywhere.' What has changed your mind?

KB: Maybe it's the catastrophe we've seen happening. For me, we need –

AM: By catastrophe do you mean the sort of political failure to get a deal?

KB: Absolutely. It's time for the politicians to come together and help us not have this uncertainty. And we as business people feel we need to speak up and ensure the facts are out there on the table.

AM: Can I ask for a few more facts, if I may. How much money have you spent on no deal preparations so far?

KB: We've got a very good working group at Airbus which has been working for several years on all the sort of intricacies of that. We've spent tens of millions of euros on readiness. For example, stockpiling parts, looking at the IT systems, working about how our employees will be able to cross over. There are nearly 80,000 journeys they make every year as part of our integrated European business. So a lot of money. I'd much rather that money was spent on hiring more apprentices, of which we have 150 being trained in our factories this year in the UK. Our great skills, our engineering skills. Increasing the number of women working in our business, and all those kinds of things. I'd rather our money was spent on that.

AM: And what are you stockpiling at the moment?

KB: It's parts for our wings. We've had to instruct all our suppliers to ensure they're ready for if there is no deal, for what happen on 1<sup>st</sup> April. We are a long term business and we are good at doing what we do and our suppliers are excellent, so they're getting ready.

AM: So are you thinking now about what production will have to be relocated and where will it go?

KB: We're preparing for the worst and hoping for the best. And really I seriously hope that difficult decisions like that won't have to be made.

AM: But will you be, presumably, going back to Toulouse, which is where your main hub is?

KB: We have sites all over the world now, not just Europe, but Toulouse and Hamburg and China and America and Spain. I mean, there's many other countries would dearly love aerospace in their countries.

AM: And of these 14,000 people working for you at the moment how many would have to move abroad if it was the worst case scenario?

KB: That would be many, many years down the line. As I said, we've got a huge order backlog so there's plenty of work for our valuable UK employees to work on for now.

AM: And what about investment long-term? That's what you're really concerned about.

KB: Absolutely. And one of the most important things in aerospace is we're very collaborative. So R&D investment. That's what we're looking at. Whether the company will continue to do that. And we're working closely with the government. We had an aerospace sector deal announced last December which really does

give some optimism. But investment's not going to come if we don't see the right climate.

AM: Have you already lost any investment, do you think, as a result of what's happened in the last couple of year?

KB: Maybe fortuitously, there hasn't been any major decisions. There may be down the road, and I know other companies have had to. So aerospace investment's gone down considerably this last year across the board.

AM: Now, Katherine, there are people watching this who think you are part of Project Fear, that you have become in a sense the government spokesperson for the worst outcome possible. That you've been drawn into a political game here.

KB: We think this is such a monumental thing that businesses have to speak up. We rather say it's dawning reality. We need to get the facts out there on the table.

AM: Let's have a little look, you'll have seen this clip already, but here is one Conservative Brexiteer, Mr Francois, responding to Tom Enders' letter to parliament about the dangers of Brexit.

CLIP: If he thinks he can bully British MPs how to vote, he's going to be sorely mistaken. My father, Reginald Francois, was a D-Day veteran. He never submitted to bullying by any German. Neither will his some. So if Mr Enders is watching (tears paper) that's what he can do with his letter.

AM: Well, my uncle was a veteran as well, but that's the kind of anger that this is producing among Tory MPs. Are you, as a company, prepared to ride that?

KB: Mr Francois's entitled to his views. And actually perhaps as historians it's maybe worth thinking about the history of how Airbus started. So the UK were right there at the beginning of

Airbus's foundation. We're celebrating 50 years, so let's hope that we can move on from these debates and get working again.

AM: I'm going to be talking to the Shadow Chancellor John McDonnell later on. One of his plans is to take 10 per cent of shares from all big employing companies, certainly including your one, and give that to employees. Would you do that? Would you be happy with that?

KB: Well, we'll obviously talk to a Labour government if and when they get in power, and we will look at that option then.

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