PARIS -- The planned merger between **BAE Systems** and **EADS,** the owner of **Airbus,** has collapsed, reportedly due to resistance from the shareholder nations over how the new entity would be run.

The companies had announced merger plans on Sept. 12, saying it represented "a unique opportunity to create a combination from two strong and successful companies greater than the sum of the parts." The deal would have created the world's largest aerospace and arms group, with combined 2011 revenues of $99 billion, well ahead of Boeing at $68.7 billion.

In a statement today, however, the firms announced that they have decided to terminate their discussions, citing governmental disagreements on a range of matters.

EADS said it was disappointed but "undeterred" in its plans to capture a share of the US defense market.

"The fact that this did not work its way to completion does not mean there will be any slowdown of any effort to look more broadly at other opportunities that may come along," EADS US chief executive Sean O'Keefe told Reuters today.

Reuters said the governments of France, Germany and Britain could not come to agreement on the deal, which had a contractual deadline of today, over where to locate the headquarters and what percent each government would own. EADS is a consortium of various countries, but also has public investors. It employs 133,000 workers around the world. For its part, publicly held BAE has a workforce of more than 83,000.