

A View from HONG KONG

Barry Woods-Turner visited the 2011 Asian Aerospace International Expo and Congress, held at the Asia World Exhibition and Conference Centre in Hong Kong from March 8-10, and reports on some of the major developments at the show.

ASIA AEROSPACE 2011 lived up to its pre-show billing as the region's premier commercial air transport event. This was the third occasion the show had been held in Hong Kong and visitor numbers continue to increase, with 12,300 delegates attending the three-day show. The organisers' own figures show a 130% increase in VIP visitors over the 2009 event and the number of Chinese delegations also increased by over 50%. Running concurrently with the main exhibition were four integrated industry conferences – the Airline Leaders Congress, APATS 2011, Asian Business Aviation and Air Freight Asia 2011 and the inaugural Aviation Awards Asia, organised by Reed Exhibitions and Asian Aviation magazine. At the Hong Kong Business Aviation Centre two miles (3km) west of

the main exhibition venue, some 5,300 delegates were able to view a dedicated static line-up of 22 business aircraft from both manufacturers and operators including Airbus, AsiaJet, Boeing, Bombardier, Cessna, Dassault, Embraer, Gulfstream, Hawker Beechcraft, Metrojet and TAG Asia. Understandably, the main focus of the show was dominated by China's insatiable growth and the future opportunities that exist for manufacturers and operators alike. Many companies were keen to promote their long associations with China and the successes they have already achieved. But it was Andrew Herdman, Director General of the Association of Asia Pacific Airlines, whose presentation at the Airline Leaders Congress eloquently summed up the region's market position. After two very difficult years, Asia

Pacific-based airlines are spearheading the aviation industry's strong recovery: in 2010, both passenger and cargo traffic returned to pre-recession levels. Asian airlines carried 185 million international passengers last year, a growth of 13% over the previous year, while the region's carriers accounted for 40% of the global air cargo traffic, reporting a robust 24.2% increase in international cargo traffic. "The outlook for 2011 remains broadly positive," Mr Herdman said, with Asia Pacific economies expected to maintain relatively higher growth rates, which will support a continuation of the overall global economic recovery. He went on to say that while manufacturers speak about long-term forecasts, Asia Pacific aviation is a "now story." However, there are many factors that can derail this strong

recovery. Among these is volatility in the price of oil, government taxes and restrictive cross-border ownership and control rules as well as challenging environmental targets. He reminded the audience of the disproportionate hit the industry is facing from governments globally, with commercial aviation responsible for just 2% of total emissions of so called 'greenhouse gases'. He called for collective discussions to deliver a balanced way forward. With air travel set to literally take-off over the two decades, with air traffic predicted to grow to 11.7 trillion Revenue Passenger Kilometres (RPK) by 2028, up from 5 trillion in 2008, the industry will require more structured reform involving more consolidation among the carriers, with the Asia Pacific region at the forefront. (photo istock)

Hong Kong Celebrates Centenary of Powered Flight



PIONEERING BELGIAN aviator Charles Van den Born arrived in Hong Kong in March 1911. Little did he or the population of the British Colony realise just how far-reaching his eventual impact would be on the city and its future. His dream was to be the first person to make a powered flight over Hong Kong and he bought with him three French-designed Henry Farman biplanes. Hong Kong skies had first been conquered by Captain Thomas Baldwin on January 3, 1891, when he stunned crowds of people who had gathered at Happy Valley to witness him ascend in his hot air balloon. On a clear evening on March 18, 1911, Van den Born found himself seated in one of his Farman biplanes, this one, christened 'Wanda', looking up at the skies over Yuen Chau Kok beach in the New Territories. Despite concerns about the strength of the wind, the Belgian aviator had by sunset become the first man to make a powered flight over Hong Kong. Today, a replica of the aircraft he flew on that day greets passengers and visitors as they arrived at Hong Kong's Chek Lap Kok International Airport.

Cathy Pacific Updates Fleet

CATHAY PACIFIC Airways announced purchase contracts valued at HK\$51 billion as the Asian carrier continued its fleet renewal. It ordered 15 more Airbus A330-300s as well as leasing agreements for two more A350-900s, plus ten Boeing 777-300ERs for delivery before the end of 2015. Cathay's outstanding order book now stands at 91 jets, and according to the airline's departing CEO, Tony Tyler, these will "enable the airline to replace older, less fuel efficient aircraft in its fleet and at the same time expand our network." He went on to confirm the airline planned to retire 21 B747-400s and eleven A340-300s before the end of this decade as it progressively takes delivery of these new generation jets. He commented: "Both the A330-300 and B777-300ER are modern, fuel-efficient airliners that have already proved their value in our fleet.

Together with the new A350-900 they will provide us with exactly the right balance in our fleet portfolio through to the end of the decade." Despite these latest orders there is still no indication whether the Hong Kong-based carrier will enter the Very Large Aircraft sector with an order for the A380 or the B747-8 Intercontinental. Industry observers believe a decision is unlikely to be made around 2014-15 and would be dependent on whether Airbus decides to manufacture a stretched variant of the A380, which could carry more belly cargo as well as additional passengers – and if it decides to proceed, Cathay Pacific could be the launch customer. Meanwhile, Boeing believes it is still in with a chance and will continue to brief the airline on the merits of the B747-81 up to the point a decision is made. (Photo Airbus)



Airbus' Chinese Cabin Outfitters

AIRBUS CORPORATE Jets has signed an important deal with Taikoo Aircraft Engineering Company (TAECO) for the supply of bespoke cabin interiors. TAECO, a subsidiary of the Hong Kong-based MRO specialists HAECO, has become the first Airbus approved cabin outfitters in the Asia Pacific region. Speaking at the announcement, Airbus' Vice President, Corporate, and Private Aviation, Francois Chiselled said the Xiamen-based company has the capabilities to produce a range of designs specifically aimed at the Chinese market. Airbus has sold 23 corporate jets into the

Chinese market so far, with eight having been delivered and four more already in completion centres. This opens the door to a potential eleven aircraft for the new TAECO division to compete for. Part of the process TAECO went through to gain Airbus approval status was the building of a full-scale cabin mock-up to showcase its capabilities and the quality of its workmanship. The move in approving a corporate jet outfitter in China will be seen as a good move for the European manufacturer, which is already winning a larger slice of the market of the large Corporate Jet market than its rival Boeing. (Photo Airbus)



Comac Dominates

AT THE last Asian Aerospace, the state-owned Commercial Aircraft Corporation of China (Comac) made its first appearance at an international exhibition. Two years later it dominated the latest event. Strategically placed between the Airbus and Boeing stands, Comac was the show's largest exhibitor, promoting both its ARJ21 regional jet and its latest offering the C919. The company's stand featured models of both types as well as a small cinema showing a 3D film of the C919's potential capabilities. To date, China's four major carriers Air

China, China Eastern Airlines, China Southern Airlines and Hainan Airlines, plus lessors CDB Leasing and GECAS have between them announced 50 firm orders and 50 options for the C919. During the show Comac announced that it had completed the preliminary design phase for its new narrow body jet and was now embarking on the detailed design phase. It aims to have this phase completed in 2012, with the first flight scheduled for 2014, followed by first deliveries to customer airlines from 2016.

ASIAN AEROSPACE ORDERS/MEMORANDUMS OF UNDERSTANDING

Boeing 747-8 Intercontinental	5	Air China	
Cessna 208B Grand Caravan	11	Hao Hai General Aviation Company	
Cessna Citation Encore+	3		
Boeing 787-9	30	Hong Kong Airlines	MoU
Boeing 787-8 VIP Configuration	2	Hong Kong Airlines	MoU
Boeing 77F Freighters-	6	Hong Kong Airlines	MoU
Gulfstream G450/G550	5	HNA Group	MoU
Dassault Falcon 7X	7	HNA Group	MoU
Airbus A330-300	15	Cathay Pacific Airways	
Airbus A350-900	2	Cathay Pacific Airways	Leased from ILFC
Boeing 777-300ER	10	Cathay Pacific Airways	

Air China Orders Boeing 747-8 Intercontinental

LESS THAN a month after Boeing rolled out its prototype B747-8 Intercontinental, the programme has received a significant boost following the firm order for five examples of the type by Air China, which was announced at Asian Aerospace. The carrier, which has operated earlier variants of the B747 since the 1980s, is expecting to take delivery of its airliners within the next three years and will be used to expand its international route network. Asia remains a key market for the B747-8I programme and the company forecasts a requirement for 720 large aircraft to be delivered over the next 20 years, of which 520 will be freighters. It also estimates that 43% of these will be delivered into the Asia Pacific region.

Mitsubishi Regional Jet Progress



MITSUBISHI AIRCRAFT gave a briefing on the status of its MRJ business jet, saying that it was making good progress with the development programme and everything was on schedule, with the first major metal structures being machined at the end of 2010. The prototype MRJ90 is on schedule to make its first flight in mid-2012, with the smaller MRJ70 flying a year later. All Nippon Airways, is the MRJs launch customer with 15 MRJ90s, while US regional carrier Trans State Airlines has recently firmed up its commitment for 50 jets, although it is yet to define the breakdown between the two variants. The Japanese manufacturer said that it

was concentrating on the development of both the MRJ70 and 90 at the moment and any talk of a stretched variant, dubbed the MRJ100X was premature. Its engineers had obviously taken into account the possibility of producing a 100-seat aeroplane at a later stage, but all its efforts are focused on ensuring the current two developments mature successfully first.

"Airlines in Europe, Latin America, and Asia have been talking to us about the larger MRJ100X and we have listened to their opinions," Hitoshi Iasi, Mitsubishi's Vice President for Sales and Marketing confirmed.

HNA Group Announces Huge Commitment

THE MAJOR commercial airliner announcement of Asian Aerospace was made by the HNA Group; the parent company of Hong Kong Airlines on the show's opening morning. It signed a series of Memorandums of Understanding covering deals for 48 aircraft with three manufacturers: Boeing, Gulfstream, and Dassault. The MoU with Boeing comprises of 30 B787-9 Dreamliners, two B787-8s in VIP configurations, and six B777Fs.

The group, which also owns Hainan Airlines, China's fourth largest carrier, said with these commitments it hopes to develop Hong Kong Airlines into a

major player in the region and a stronger rival to Cathay Pacific Airways. Hainan Airlines wouldn't rule out the possibility that some of the B787s might find their way into the Chinese carrier's fleet at some stage, if there was a demand to operate the type.

The Group also signed MoUs with Gulfstream for five G450s and G550s and with French manufacturer Dassault for five Falcon 7X aircraft. Deliveries of the ten jets are likely to be made to Hongkong Jet, the business aviation arm of Hong Kong Airlines and Deer Jet, the Beijing-based corporate aviation arm of the HNA Group.

Donghai Jet Receives First Challenger 300

Bombardier Aerospace has delivered the first Challenger 300 to be operated from China to the Shenzhen-based carrier, Donghai Jet Co. The aircraft, B-8106 (c/n 20303), is the first of five examples the airline acquired in a deal signed in November 2010, was handed over at a ceremony held at the Asian Aerospace International Expo and Congress. The Challenger 300 business jet joins a Challenger 605 (B-3077, c/n 5820) already flying with the company. (All Key - Barry Woods-Turner unless stated)

