



China Civil Aviation Report

Volume 9, Issue 4

April 2007

民航报导

332-M passengers and still counting

Increasing volume straining airport capacity in China

年载运3.32亿旅客并持续增加中

China to make own large aircraft

FAA opens offices in Beijing, Shanghai

Australia, China sign aviation security accord

China undergoes ICAO audit

Shenzhen Airport net profit up



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Cover: The majestic Shanghai Pudong International Airport.
(courtesy of Shanghai Airport Authority)

From the Publisher's Desk

Made in China

One of the big stories this year was the announcement by China that it will foray into the manufacturing of large aircraft, an ambitious project that can make it as a major player in the aviation industry.

On one end, it seems to be a farfetched plan. Imagine China competing for a share in the aircraft market with established aircraft makers in the world.

But on the other hand, the plan is a confirmation of China's seriousness in having its own aircraft. Remember, China is about to complete its own midsize aircraft, the ARJ21. The first China-made plane, being developed by AVIC 1 Commercial Aircraft Co., will have its test flight next year and a certification will follow in 2009.

Also in this issue, we touch on the future of airports in China. The number of passengers handled by Chinese airports last year was 16.7 percent higher than in 2005. This only means that China should work double time to map out its airport development.

The passenger volume will increase every year which puts tremendous strain on the capacity of existing airports. The authorities should ensure equal development. Airport development should trickle down to other areas in China not being served by any airport.

This will ensure that growth in aviation will be equal in all areas in China.

中国制造

最近的头条新闻之一就是中国宣布将进入大型飞机的研制领域，这项雄心勃勃的计划将有可能使其成为航空工业的巨头之一。

在某个方面，这似乎是一个有些牵强的计划。想象一下中国打算同世界上已具有成就的飞机制造商共同竞争飞机市场的份额。

但在另一方面，该计划又含了某些中国对于拥有自主研发飞机的严肃性。别忘了，中国正在完成其自主研发的中型飞机 - ARJ21。中国首架由中航商用飞机有限公司研发的中国制造飞机，将可能在明年试飞，并于2009年取得认证。

同时在本期刊物内，我们触及了中国机场的情况。去年中国机场的旅客吞吐量比2005年增加了16.7%。这就意味着中国应需要加倍的规划机场发展空间。

每年旅客吞吐量的增长将对现有机场的运力产生极大压力。主管当局务必追求均衡的发展，并在没有机场的地区大力开发。这就可以确保航空事业在中国各地区的繁荣与和谐发展。



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Aviation Headlines



China to make own large aircraft

我国大飞机研制正式立项 大飞机项目不排除国际合作

Chinese Premier Wen Jiabao presided over the executive meeting of China's State Council on February 26, when it was announced that China will manufacture its own large aircraft.

The meeting discussed the report of the large aircraft key special project group on large aircraft plan. It also approved the establishment of a large jetliner stock company. Large aircraft refer to planes with at least 150 seats.

Chinese officials said China may start making the aircraft by 2020.

Private investment and international cooperation may be involved in the new company.

In an opinion issued on March 1, the Commission of Science Technology and Industry for National Defense encouraged non-state-owned enterprises to participate in high technology development and industrialization in the military and civilian sectors.

Airbus assembly line in China on track

空中客车A320飞机中国总装线年内将基本竣工

The Airbus general assembly line in Tianjin, which will cost RMB 2 billion, will be finished by the end of the year, according to Mayor Dai Xianglong of Tianjin.

The assurance was made in light of the ongoing reorganization at Airbus due to the delay in the production of the A380 aircraft.

Airbus China said the feasibility report is finished and has been sent to different government agencies in China.

Last June, the National Development and Reform Commission announced Tianjin Binhai New District as the location of the assembly line for the A320 series jet.

This is the first assembly line of Airbus outside Europe. Based on the plan, the first assembled A320 in China will be delivered in 2008. By 2011, the assembly line can produce four Airbus jets a month.

FAA establishes offices in Shanghai, Beijing

美国联邦航空局上海与北京审定办正式成立

The United States Federal Aviation Administration (FAA) has established certification offices in Shanghai and Beijing to help Chinese authorities in certifying the ARJ21, the first China-made regional jet.

Director John Hickey of the FAA aircraft certification services, and Kenneth Jarrett, US consul general in Shanghai, cut the ribbon to open the Shanghai office on March 9. The FAA Beijing certification office was also formally established the same day.

"This is certainly facilitating the exchange of aeronautical products between the United States and China," said Hickey.

He thanked the Civil Aviation Administration of China for its support in establishing the two branches.

The offices will assist CAAC on the ARJ21 airworthiness work. Director Zhang Hongying of the CAAC airworthiness department said the opening of the FAA offices in China is a milestone in the successful cooperation between China and the US in the area of airworthiness.

Director Xia Xinghua of the CAAC East China Regional Administration also attended the ceremony.

At the ceremony, FAA also awarded Jiangxi Hongdu Aviation Industrial Shareholding Co the N5A aircraft-type certificate that will pave the way for the aircraft to fly international routes.



N5A aircraft is designed, developed and produced by Hongdu Group. It is the first multipurpose agricultural and forestry aircraft in China. The aircraft is equipped with an advanced power unit and operation equipment, and can fly in the ultra-low altitude of 3-5 meters high.

Xianfan establishes aviation fund

襄樊市政府设立航空发展专项基金

The Xianfan municipal government established the special aviation development fund to encourage the opening of new air routes and more flights at Xianfan Airport, which can promote economic growth.

The fund amounts to RMB 5 million. For every air route opened, the municipal government will award RMB 500,000. It will also award RMB 100,000 for every additional flight created on an air route that is operating for over a year.

Xianfan Airport has invested in airport infrastructure facilities since it joined the Hubei Airports Group.

In 2005, the airport resumed the Xiangfan-Guangzhou flight and by the end of 2006, there were 15 flights per week on the route.

Beijing Airport recruits 140 volunteers

北京首都国际机场正式对外招募奥运志愿人员

Beijing Capital International Airport has recruited 140 pre-Olympic Games volunteers to provide services such as answering inquiries, translation and evacuation in the airport terminal building.

The first group of volunteers will start working on May 1.

The volunteers will work from Monday to Sunday. Each volunteer is required to serve at least 4 hours every week for three months. The airport will train the volunteers for a month before they are deployed.

The Beijing Airport requires that volunteers be between 18 and 60 years old.

China, US hold aviation talks anew

中美就扩大双边市场准入举行新一轮航空会谈

China and the United States held a new round of aviation negotiations on March 14-15 in Washington, D.C.

The Chinese delegation consisted of officials from the Civil Aviation Administration of China and Ministry of Foreign Affairs, and was led by Vice Director Liu Fang of the CAAC International Cooperation Department.

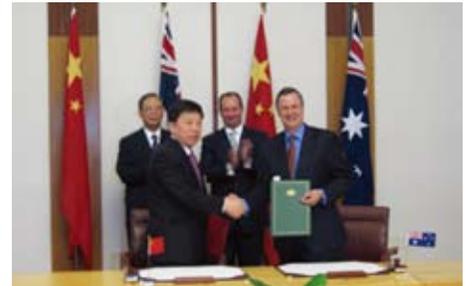
The US delegation, composed of representatives from the State Department, Department of Transportation, and Department of Commerce, was led by Director Thomas Engle of the State Department's Office of Aviation Negotiations.

The US has been urging China to sign an open skies agreement to liberalize the aviation market between the two countries. The two countries agreed to continue negotiations.

Australia, China sign aviation security accord

中国与澳大利亚签署关于开展航空保安合作的谅解备忘录

On March 22, Vice Minister Gao Hongfeng of the Civil Aviation Administration of China and Australian Secretary Michael Taylor of the Department of Transport and Regional Services signed the memorandum of understanding on developing aviation security cooperation.



Chinese Vice Premier Zeng Peiyan and Australian Deputy Prime Minister Mark Vaile, of the Minister for Transport and Regional Services, witnessed the signing ceremony.

The agreement will enhance cooperation between China and Australia on aviation security. Both parties agreed to enhance information exchange on aviation security legislation and the investigation and prevention of aviation security accidents, and provide assistance for bilateral supervision organizations to supervise implementation of bilateral airlines and airport security standards.

Yang meets officials

杨元元分别会见了日本客人和美国客人

Minister Yang Yuanyuan of the Civil Aviation Administration of China met with Kazuo Kitagawa, former Japanese minister of land, infrastructure and transport on March 17. They agreed to further promote the bilateral civil aviation relationship between China and Japan.

Yang also had a meeting with William Cohen, chairman and CEO of The Cohen Group and former US defense minister. They discussed cooperation and training of airport fire-fighting, rescue, and emergency treatment.

Hainan to build more regional airports

海南将建支线机场 海航购进100架支线飞机

Hainan Province will construct new regional airports under China's 11th Five-Year Plan, according to Vice Minister Yang Guoqing of the Civil Aviation Administration of China (CAAC).

Yang disclosed the plan at the 2007 Regional Asia: The Intra-Regional Route Development Forum held from March 25-27 in Heikou, Hainan. More than 300

Vice Minister Yang Guoqing



delegates from 36 countries, 102 airlines, and more than 60 airports and civil aviation consultation units worldwide attended the forum.

Governor Luo Baoming of Hainan province and Yang attended the opening ceremony.

China plans to construct about 200 regional airports between now and 2010. In west China, 37 new airports will be built, six airports relocated and 31 existing ones expanded and rehabilitated.

Last October, Hainan Airlines and Embraer signed an agreement for the purchase of 100 regional jets worth RMB 2.7 billion (US\$349 million). Chen Feng, chairman of Hainan Airlines Group, said these jets are being produced in China. By the end of the year, four regional jets will be put into operation.

ICAO audit program done in China

中国民航接受国际民航组织安全监督审计

On March 20, the Civil Aviation Administration of China opened the International Civil Aviation Organization (ICAO) University Safety Oversight Audit Program attended by CAAC Minister Yang Yuanyuan.

The audit team visited the CAAC, North China Regional Administration and East

China Regional Administration from March 20 to April 3.

Other attendees during the opening ceremony were CAAC Vice Minister Li Jian, leaders of related departments and bureaus, and representatives from the Ministry of Communications and the State Administration of Work Safety.



CAAC

Updates



Civil aviation fund agreement signed

民航总局与基金委签署“民航联合基金”协议书二期

Vice Minister Yang Guoqing of the Civil Aviation Administration of China and Vice Director Sun Jiaguang of the National Natural Science Foundation of China (NSFC) signed the second stage of the Civil Aviation United Fund agreement recently. Both affirmed the importance of the fund in improving China's civil aviation technology level. Through the fund, they want to attract more national scientists and experts to develop fundamental research work.

The fund will be used to give grants to general and key projects. The grant will be awarded to projects that are related to the following: new material and geotechnical engineering theory related to airport surface; aircraft airworthiness and maintenance, inspection theory and key technology; new flight system theory and technology; civil aviation system simulation technology; flight performance theory and technology; aviation safety and inspection theory and method; malfunction detection, system reliability theory and method related to civil aviation facilities; and national airspace resource management theory and method, civil aviation operating and managing theory and technology.



Key projects include fundamental theory and key technology for an approach landing-enhanced vision guidance system under low visibility; and fundamental theory and method for a large airport moving targets collision-avoidance system.

Collision avoidance meeting held

安徽地区军民航防相撞协调会在合肥召开

The Hefei Air Traffic Management Center under the Civil Aviation Administration of China organized a coordination meeting on March 14 between the Chinese military and civil aviation representatives to map out plans to avoid air collision in the Anhui area.

In the meeting, the collision avoidance plan that was implemented in 2006 was discussed. Collision avoidance measures and a control agreement were revised and perfected.

China's civil aviation airspace is limited with the military occupying and using the airspace.

Among those who attended the meeting were leaders and personnel from the Air Traffic Management Department of



East China Regional Administration, Flight Management Department of Nanjing Military District Air Force, Flight Management Department of Jinan Military District Air Force, and related military and civil aviation control units in Anhui province.

Airports to rise in Guyuan, Zhongwei

宁夏固原、中卫两支线机场获得民航总局批准

The Civil Aviation Administration of China has approved the construction of two regional airports in Guyuan and Zhongwei.

The Development and Reform Commission of the Ningxia Hui Autonomous Region said the CAAC

had issued an opinion to prepare for the feasibility study on establishing airports in Guyuan and Zhongwei.

Total investment for the Guyuan Airport is pegged at RMB 380 million, of which CAAC will arrange a civil aviation special fund of RMB 190 million.

China, Japan hold aviation talks

中日民航会谈在武汉举行双方探讨进一步合作

China and Japan held a civil aviation negotiation in Wuhan on March 7-8 to enhance flights between the two countries.

The Chinese delegation was led by Vice Director Liu Fang of the International Cooperation Department of the Civil Aviation Administration of China, and the Japanese delegation was led by Director Ryuhei Maeda of the Civil Aviation Bureau of the Ministry of Land, Infrastructure and Transport.

The two parties discussed the future of the China-Japan air transport market, and the charter air route between Shanghai Hongqiao Airport and Tokyo Haneda

Airport.

China and Japan signed the first civil aviation transport agreement in 1974, and are now the two leading air transport markets in the world.

During the winter-spring season last year, there were 15 Chinese and Japanese airlines operating 680 scheduled flights every week.

Of these, 12 Chinese airlines operate 336 passenger flights and 41 cargo flights every week from 18 domestic cities to 17 Japanese cities. Three Japanese airlines fly 270 passenger flights and 33 cargo flights every week from four Japanese cities to 10 Chinese cities.

CAAC airport system wins technology award

民航二所再度荣获
国家科技进步奖

An airport operation command and dispatch system developed by the Second Research Institute of the Civil Aviation Administration of China won second prize in the National Science and Technology Award held at the Great Hall of the People in Beijing.

The system won in the national science and technology advancement category. This is the second year that the CAAC won in the science and technology award.

The airport operation command and dispatch system is a core technology for digitizing civil airport. It performs timely collection, automatic handling, and unified issuance of information of airport operation such as flights, weather, passengers, cargo, mail, baggage, dispatch and resources. It also unifies coordination and command for all operation service units.

The technology is being used in 20 large and medium airports, including Shenzhen, Chengdu, Hangzhou and Chongqing. The cost of the system is only half of the same imported product.

Connecting taxiway completed

成都双流机场联络道昨竣工
将提高运行效率

The connecting taxiway project of Chengdu Shuangliu Airport has been completed at a cost of RMB 8.34 million (about US\$1.07 million). The new taxiway will improve operation of the runway of the airport and ease the situation of the saturated single runway capacity.

The taxiway, 145 meters long and 49.5 meters wide, connects the runway and two other taxiways. It can accommodate the taxiing of a B747-400 jetliner. Support facilities such as visual aid light and fire fighting have also been built.

The completion of the taxiway will allow aircraft with a shorter takeoff taxiing distance to enter the runway directly from the connecting taxiway and take off without taxiing to the end of the runway.

Harbin implements rectification work

哈尔滨空管中心开展飞行冲突专项整治工作

The Harbin Air Traffic Management Center has started implementing the Air Traffic Management Safety Special Rectification Work that will go on until November 30 of this year.

The rectification work consists of three stages: special inspection and planning; rectification, improvement and implementation; and inspection and evaluation.

The Harbin ATMC work is based on the "Notification on Developing Safe Production Special Rectification" issued by the Civil Aviation Administration of China

and the notification on issuing Northeast ATMB flight collision special rectification implementation plan issued by Northeast Air Traffic Management Bureau.

The rectification plan includes the standardization of ground-air communications, avoiding flight collision between military and civil aviation, avoiding flight collision induced by controller's human factor, avoiding flight collision induced by improper treatment on special situation, strict management on airport controlling area and no runway invasion incident.

PRD air traffic program completed

空中交管体系将落户珠三角

The Civil Aviation Administration of China has completed the basic planning and implementation of the air traffic control program in the Pearl River Delta region that will gradually establish a rational structure of the airspace, security facilities and smooth operation of the air traffic management system to meet the future development of the region.

To solve the tight airspace in the PRD area, the CAAC, together with civil aviation authorities of Hong Kong and Macao, established in 2004 the PRD region air traffic control panel, which has recently completed the planning and implementation of the PRD region air traffic control program.

Yang said on the narrow Pearl River Delta area, with no more than 200 km of distance, there are five large airports—Guangzhou, Hong Kong, Shenzhen, Zhuhai and Macao. In recent years, the

five airports have recognized the necessity and importance of cooperation.

He indicated that in the future, the CAAC would continue to strengthen contacts with Hong Kong and Macao authorities, according to the principle of "unified planning, unified standards, and unified procedures." These include sharing of resources and information.

Meanwhile, the CAAC would further expand the extent of the opening of the Guangzhou air transport market, increase the third and fourth traffic rights between Guangzhou and foreign cities, and increase the fifth traffic right stopover at Guangzhou. It will also encourage domestic and foreign airlines to increase long-haul and mid-haul international flights from the Pearl River Delta area, and increase air routes and flights from the Pearl River Delta area to adjacent countries.

Jiuhuashan Airport construction to start this year

九华山机场选址池州市梅龙镇

The Jiuhuashan Airport in Meilong, Chizhou City in Anhui province will be constructed starting this year.

The location of the airport is 16 km away from downtown Chizhou, 20 km away from the Jiuhua Mountain scenic area, and 21 km away from downtown Tongling.

The new airport is designed to handle an annual passenger volume of 450,000 with a flight area grade of 4C. The runway,

which is 2,400 meters long and 45 meters wide, can accommodate the landing and takeoff of jetliners like B737.

Jiuhuashan Airport is one of the two civil airports established in Anhui Province under the 11th Five-Year Plan, and will be finished in two years.

The airport, which can accommodate international charter flights, will be built to increase tourism in the area.

332 million and counting



年载运3.32亿旅客 CAAC Airports by Passenger

Increasing volume straining airport capacity in China

By JONATHAN HICAP

Airports in China broke a record in 2006 when domestic and international passenger volumes on scheduled flights reached 331,973,261 passengers in 2006, higher by 47,622,198 passengers or 16.7 percent than the 2005 total of 284,351,063.

Of the total, domestic passengers accounted for 299.34 million and international passengers numbered 32.63 million.

Beijing Capital International Airport again led the rankings, handling 48.74 million passengers and aircraft movements totaling 378,888, higher by 11 percent compared to 2005. Second was Shanghai Pudong International Airport, which handled 26.78 million passengers, up by 13.2 percent or 3.12 million passengers from the 2005 total.

Beijing Airport was among the top 10 busiest airports in the world last year in terms of passenger traffic.

But Shanghai Pudong beat Beijing Airport in mail and cargo, handling 2.16 million tons against Beijing Airport's 1.2 million tons.

China's strong performance last year only solidified its claim as the second largest aviation market in the world after the United States.

In the 11th Five-Year Plan, China has

committed to invest RMB 140 billion (about US\$18 billion) from 2006 to 2010 to build 49 new airports, expand 71 existing facilities and relocate 11 airports to increase capacity.

But how far can China's airports go—especially the large hubs—in handling the increasing number of passengers, which is now near the saturation point and is putting too much pressure on airport resources?

The top 10 airports in China in terms of passenger volume handled 197.51 million passengers last year, or 60 percent of the total passengers handled by all 146 airports in China.

Besides Beijing and Shanghai Pudong Airports, others in the top 10 are: Guangzhou, 26.22 million passengers; Shanghai Hongqiao, 19.33 million; Shenzhen, 18.35 million; Chengdu, 16.28 million; Kunming, 14.44 million; Hangzhou, 9.91 million; Xi'an, 9.36 million; and Chongqing, 8.05 million.

The year-on-year passenger increase of the top 10 airports of 26.82 million accounts for 56.32 percent of the total passenger increase at all of China's airports.

There were 44 airports in China whose annual passenger output were more than one million passengers, up by two airports in 2005. The total passenger output of these airports accounted for 95 percent of the total passengers.

| Airport | Passengers | | | |
|-------------------|------------|-------------|-------------|------|
| | Rank | 2006 | 2005 | % |
| Total | | 331,973,261 | 284,351,063 | 16.7 |
| Beijing | 1 | 48,748,298 | 41,004,008 | 18.9 |
| Shanghai Pudong | 2 | 26,788,586 | 23,664,967 | 13.2 |
| Guangzhou | 3 | 26,222,037 | 23,558,274 | 11.3 |
| Shanghai Hongqiao | 4 | 19,336,517 | 17,797,365 | 8.6 |
| Shenzhen | 5 | 18,356,069 | 16,283,071 | 12.7 |
| Chengdu | 6 | 16,280,225 | 13,899,929 | 17.1 |
| Kunming | 7 | 14,443,607 | 11,818,682 | 22.2 |
| Hangzhou | 8 | 9,919,532 | 8,092,641 | 22.6 |
| Xi'an | 9 | 9,368,958 | 7,942,034 | 18.0 |
| Chongqing | 10 | 8,050,007 | 6,631,420 | 21.4 |
| Xiamen | 11 | 7,501,004 | 6,585,489 | 13.9 |
| Qingdao | 12 | 6,791,240 | 5,879,552 | 15.5 |
| Haikou | 13 | 6,668,795 | 7,027,397 | -5.1 |
| Changsha | 14 | 6,592,602 | 5,301,396 | 24.4 |
| Dalian | 15 | 6,351,089 | 5,407,452 | 17.5 |
| Nanjing | 16 | 6,269,103 | 5,385,933 | 16.4 |
| Wuhan | 17 | 6,100,582 | 4,743,877 | 28.6 |
| Shenyang | 18 | 5,343,566 | 4,560,162 | 17.2 |
| Urumqi | 19 | 5,136,028 | 4,424,458 | 16.1 |
| Guilin | 20 | 3,998,958 | 3,384,709 | 18.1 |
| Sanya | 21 | 3,905,956 | 3,087,045 | 26.5 |
| Zhengzhou | 22 | 3,879,949 | 2,969,318 | 30.7 |
| Fuzhou | 23 | 3,794,123 | 3,454,812 | 9.8 |
| Guiyang | 24 | 3,717,999 | 3,125,390 | 19.0 |
| Ji'nan | 25 | 3,696,305 | 3,063,946 | 20.6 |
| Harbin | 26 | 3,643,232 | 3,222,907 | 13.0 |
| Wenzhou | 27 | 3,045,854 | 2,623,149 | 16.1 |
| Ningbo | 28 | 2,972,429 | 2,532,910 | 17.4 |
| Taiyuan | 29 | 2,843,482 | 2,240,291 | 26.9 |
| Tianjin | 30 | 2,766,504 | 2,193,914 | 26.1 |
| Nanchang | 31 | 2,764,420 | 2,303,545 | 20.0 |
| Nanning | 32 | 2,244,234 | 1,878,047 | 19.5 |
| Changchun | 33 | 2,227,352 | 1,753,235 | 27.0 |
| Lanzhou | 34 | 1,861,148 | 1,439,164 | 29.3 |
| Hefei | 35 | 1,851,464 | 1,511,705 | 22.5 |

ort Ranking Output, 2006

| Airport | Passengers | | | |
|-----------------|------------|-----------|-----------|--------|
| | Rank | 2006 | 2005 | % |
| Xishuangbanna | 36 | 1,594,186 | 1,217,734 | 30.9 |
| Lijiang | 37 | 1,542,722 | 1,114,264 | 38.5 |
| Zhangjiajie | 38 | 1,537,453 | 1,584,834 | -3.0 |
| Huhehot | 39 | 1,509,643 | 1,101,698 | 37.0 |
| Yantai | 40 | 1,419,197 | 1,216,313 | 16.7 |
| Jinjiang | 41 | 1,171,712 | 1,204,424 | -2.7 |
| Jiuzhaigou | 42 | 1,123,636 | 1,097,204 | 2.4 |
| Yinchuan | 43 | 1,077,580 | 876,455 | 22.9 |
| Lhasa | 44 | 1,043,051 | 857,671 | 21.6 |
| Shantou | 45 | 985,874 | 913,276 | 7.9 |
| Wuxi | 46 | 924,883 | 619,131 | 49.4 |
| Zhuhai | 47 | 799,125 | 657,117 | 21.6 |
| Xi'ning | 48 | 742,429 | 537,551 | 38.1 |
| Yanji | 49 | 700,067 | 639,788 | 9.4 |
| Shijiazhuang | 50 | 630,239 | 456,209 | 38.1 |
| Wuyishan | 51 | 541,503 | 523,135 | 3.5 |
| Yichang | 52 | 508,386 | 419,046 | 21.3 |
| Kashi | 53 | 444,332 | 389,680 | 14.0 |
| Changzhou | 54 | 438,442 | 316,180 | 38.7 |
| Baotou | 55 | 410,628 | 342,582 | 19.9 |
| Weihai | 56 | 405,408 | 232,105 | 74.7 |
| Dali | 57 | 365,999 | 323,440 | 13.2 |
| Huangshan | 58 | 365,660 | 389,380 | -6.1 |
| Mangshi | 59 | 355,900 | 304,205 | 17.0 |
| Yiwu | 60 | 327,631 | 208,588 | 57.1 |
| Zhoushan | 61 | 320,976 | 397,947 | -19.3 |
| Zhanjiang | 62 | 308,233 | 313,650 | -1.7 |
| Diqing | 63 | 303,939 | 224,124 | 35.6 |
| Beijing Nanyuan | 64 | 301,045 | 27,313 | 1002.2 |
| Xuzhou | 65 | 300,059 | 216,622 | 38.5 |
| Huangyan | 66 | 271,279 | 225,874 | 20.1 |
| Yi'ning | 67 | 267,801 | 267,864 | 0.0 |
| Dunhuang | 68 | 238,842 | 226,893 | 5.3 |
| Panzhihua | 69 | 237,843 | 179,424 | 32.6 |
| Altai | 70 | 200,315 | 193,323 | 3.6 |

Based on area distribution, passengers from North China accounted for 17.5 percent of the total; Northeast China, 5.6 percent; East China, 30.7 percent; Central South China, 25 percent; Southwest China, 15.2 percent; and Northwest China, 6 percent.

The increasing passenger volumes have prompted the Chinese government to rush different airport expansion projects.

This year, the Chinese government will invest RMB 26 billion (about US\$3.36 billion) to build and expand 33 airports, most of which are being readied for the 2008 Beijing Olympics.

For instance, China's National Development and Reform Commission approved the RMB 15.3 billion (US\$1.98 billion) expansion project of Shanghai Hongqiao Airport. The fund will be used to build a new terminal with an area of 250,000 sq.m. and a second runway with a length of 3,300 meters. The airport is projected to handle 40 million passengers by 2010.

China is also investing RMB 56 billion in the next five years for airport development in west China.

Last year, cities which opened new scheduled flights were Liping of Guizhou Province, Nyingchi of Tibet, Wenshan of Yunnan Province, and Nalati of Xinjiang Autonomous Region.

Airports which resumed operating scheduled flights included Ankang of Shanxi Province, Daxian of Sichuan Province, Kelamayi of Xinjiang Autonomous Region, Jiujiang of Jiangxi Province and Qinhuangdao of Hebei Province.

China needs to build an aviation infrastructure quickly to ease the strain in the civil aviation industry.

China has 146 major airports, but only 22 can handle large aircraft such as the Boeing 747, according to a report published last year.

"Recognizing this deficiency, China will spend more on airport development in the next five years that it did in the

last 15 years, opening up huge investment opportunities for overseas and domestic investors," the report said.

China spent RMB 120 billion (about US\$15 billion) for aviation infrastructure from 1990 to 2006.

In the 11th Five-Year Plan, part of the expansion projects will cover Beijing, Shanghai and Guangzhou airports. China has spent RMB 25 billion (over US\$ 3 billion) to expand the Beijing Airport, including a new terminal building and a third runway. This will increase its capacity to 90 million passengers per year. China expects to increase its airports to 220 by 2020.

Increase in mail and cargo

Chinese airports also increased mail and cargo volumes last year, reaching 7,531,935.2 tons, a 19-percent increase over the 6,330,842.3 tons in 2005. Of this totals, domestic mail and cargo was 5.042 million tons, up by 16.8 percent, and international cargo amounted to 2.49 million tons, higher by 23.6 percent.

Shanghai Pudong Airport had the highest mail and cargo turnover of 2.16 million tons, higher by 16.7 percent compared to the 2005 total of 1.85 million tons. Beijing was second with 1.2 million tons of cargo and mail, but it registered the highest increase at 53 percent over its 2005 total of just 782,066 tons.

Third was Guangzhou Airport, which handled 653,261.3 tons of cargo last year from 600,603.9 tons in 2005. It is followed by Shenzhen Airport, 559,243.7 tons; Shanghai Hongqiao, 363,581.4 tons; Chengdu, 295,497.9 tons; Kunming, 219,197.6 tons; Hangzhou, 185,518.1 tons; Xiamen, 175,011.1 tons; and Nanjing, 12,063.2 tons.

Beijing, Shanghai Pudong and Guangzhou airports were in the top 25 airports in the world in cargo traffic in 2006, according to preliminary reports by the Airport Council International.



Baiyun Airport

CAAC Airport Ranking by Passenger Output 2006



Urumqi Airport



Guilin Airport

Mail and cargo output of Beijing, Shanghai and Guangzhou Airports account for 58.2 percent of the total volume of all airports.

The increase in cargo volume was a result of the liberalization of the cargo market in China last year. Foreign companies were allowed to invest in airlines.

Jade Cargo entered the Chinese market last August, starting cargo flights from Shenzhen to Amsterdam, the Netherlands and Seoul, South Korea. It then expanded to Brescia, Italy; Barcelona, Spain; and Osaka, Japan. The cargo airline is owned by Shenzhen Airlines, Lufthansa Cargo AG, and DEG Bank.

Last January, Jade Cargo applied to the US Department of Transportation for an application for cargo flights between Shenzhen and Houston, Texas. Its application is now being reviewed by the DOT.

Shanghai Airlines Cargo, a company owned by Shanghai Airlines and EVA Air, started operating cargo flights in China last June.

Another new airline, Great Wall Airlines, a company formed by China Great Wall Industry Corp., Singapore Airlines Cargo and Dahlia Investment, started operating last June. It operates cargo flights to Amsterdam, Incheon and Mumbai.

Yangtze River Express Airlines changed its corporate ownership last year. It is now owned by China Airlines, Ming Marine Transport Corp., Wan Hai Lines and China Container Express Lines.

Foreign companies can buy up to 25 percent ownership in a Chinese airline, but their combined stakes can not exceed 49 percent.

Aircraft movements also increase

Airspace for civil aviation in China is very limited, prompting aviation authorities to employ different methods to maximize it.

Last year, total aircraft movements in China reached 3,486,397, higher by 14.3 percent compared to 2005.

While Beijing Airport again topped aircraft movements, Hangzhou Airport posted the highest year-on-year increase among the

top 10 airports at 27.2 percent, followed by Kunming Airport at 24.3 percent.

Aircraft movements at Beijing Airport totaled 378,888 last year, up from 341,681 in 2005. Guangzhou airport was second with 232,404 and Shanghai Pudong Airport third with 231,994. Others in the top 10 were Shanghai Hongqiao, 177,626; Shenzhen, 169,493; Luoyang, 166,899; Chengdu, 155,484; Kunming, 135,573; Hangzhou, 100,799; and Xi'an, 99,315.

Although the figures are impressive, it is also a wakeup call for China to act immediately to meet the demand.

In a recent aviation forum in Singapore, the International Air Transport Association (IATA) called on Asian countries, including China, to take the lead role in shaping the global aviation industry.

"Asia is a big part of the aviation world. By 2010, intra-Asia traffic will be the largest market in the world, accounting for one third of the world's traffic. Critical mass comes with leadership responsibilities," said Giovanni Bisignani, IATA's director general.

He said Asian countries can lead in technology, police or the environment. For 2007, IATA said airlines in the Asia-Pacific region will have a profit of US\$1.7 billion. Bisignani praised China for leading in the electronic ticketing compliance with 95 percent penetration, higher than the worldwide average of 78 percent.

Pudong Airport



Bisignani urged Asia to develop a regional policy on safety to decrease the accident rate. He said the 2006 accident rate in Asia was one accident for every 1.5 million flights, which is at par with the global average. The airline industry projects a 25-percent improvement by 2008.

He also urged liberalization of the aviation market in Asia to "keep pace with the needs

| Airport | Passengers | | | |
|-------------|------------|---------|---------|-------|
| | Rank | 2006 | 2005 | % |
| Xichang | 71 | 181,578 | 152,280 | 19.2 |
| Yibin | 72 | 169,418 | 149,666 | 13.2 |
| Kuerle | 73 | 168,430 | 195,840 | -14.0 |
| Enshi | 74 | 163,023 | 70,075 | 132.6 |
| Beihai | 75 | 162,637 | 200,002 | -18.7 |
| Linyi | 76 | 159,301 | 117,890 | 35.1 |
| Liuzhou | 77 | 157,153 | 74,593 | 110.7 |
| Lianyungang | 78 | 154,753 | 96,154 | 60.9 |
| Hailaer | 79 | 150,561 | 129,486 | 16.3 |
| Luoyang | 80 | 149,420 | 157,760 | -5.3 |
| Mudanjiang | 81 | 147,821 | 132,876 | 11.2 |
| Mianyang | 82 | 146,335 | 130,295 | 12.3 |
| Yuncheng | 83 | 145,636 | 64,774 | 124.8 |
| Lincang | 84 | 118,174 | 78,307 | 50.9 |
| Changde | 85 | 115,668 | 70,120 | 65.0 |
| Nantong | 86 | 113,185 | 89,337 | 26.7 |
| Yulin | 87 | 111,742 | 95,749 | 16.7 |
| Baoshan | 88 | 109,894 | 89,168 | 23.2 |
| Jingdezhen | 89 | 105,363 | 86,386 | 22.0 |
| Changzhi | 90 | 104,500 | 96,282 | 8.5 |
| Luzhou | 91 | 102,875 | 41,913 | 145.4 |
| Hetian | 92 | 99,400 | 92,080 | 7.9 |
| Manzhouli | 93 | 80,788 | 55,555 | 45.4 |
| Xiangfan | 94 | 77,292 | 57,244 | 35.0 |
| Aksu | 95 | 77,249 | 87,443 | -11.7 |
| Tongren | 96 | 71,359 | 52,243 | 36.6 |
| Wanxian | 97 | 69,177 | 73,682 | -6.1 |
| Ganzhou | 98 | 68,821 | 28,717 | 139.7 |
| Zhaotong | 99 | 64,967 | 35,213 | 84.5 |
| Dandong | 100 | 62,684 | 38,960 | 60.9 |

of a dynamic industry." China has ongoing talks with the United States about an open skies agreement.

For its part, China has acknowledged deficiencies in its aviation industry and is working overtime to invest in different aviation infrastructures, especially new and rehabilitated airports.

China is in catch-up mode and, unless it fulfills what is prescribed by the 11th Five-Year Plan, may lag behind the rest of the countries in Asia.

China to ease liquid ban starting May 1

民航总局对携带液体物品登机出台新规定

The Civil Aviation Administration of China will allow limited amount of liquids and gels on carry-on luggage starting May 1 based on the recommendation of the International Civil Aviation Organization (ICAO).

Under the new ICAO guidelines, airports can allow the carrying of all liquids and gels in carry-on luggage but should not exceed 100 ml each. These should be placed in a transparent resealable plastic bag of a maximum capacity of 1 liter.

The plastic bag should be presented for examination at the airport and only one plastic bag is allowed per passenger, ICAO said.

Airports around the world have started easing the rule on liquids and gels based on the ICAO recommendation.

Hong Kong International Airport started easing the liquid and gel ban on March 21. The Airport Authority Hong Kong said airport operations and flight schedules remained normal following the implementation of the new rule. China will implement the new rule starting on May 1.

Hong Kong officials deployed about 100 staff to help passengers. For the convenience of passengers who needed to



John Lamond, Hong Kong Airport chief of Safety, Security, Environmental & Planning Services, explains how hand baggage should be packed to comply with the new security measures.

repack their luggage, re-sealable plastic bags were made available and tables have been set up at each of the check-in aisles.

Airports worldwide implemented the ban on liquids and gels in cabin luggage following the discovery of a plot to bomb flights bound for the United States and originating from the United Kingdom.

Items allowed in carry-on luggage include baby formula, breast milk and juice if a baby or small child is traveling.

Aircraft movements increase in Jinan

民航济南空管中心一季度安全保障飞行近六万架次

In the first quarter of the year, the Jinan Air Traffic Management Center of the Civil Aviation Administration of China recorded 59,927 aircraft movements,

including 10,517 at Jinan Airport.

The total aircraft movements increased by 28.6 percent compared to 2005. Aircraft movement at Jinan Airport was up by 2.3 percent.

Pilot instructors class inaugurated

国内首期外籍CCAR-61部飞行教员培训班珠海开课

The first domestic training class for foreign CCAR-61 pilot instructors was inaugurated in Zhuhai, Guangdong province on April 2.

With the entry of China into the World Trade Organization, foreign airlines and pilot have entered the domestic aviation market.

Foreign pilots are required to undergo training under regulations of the CCAR Part 61 to acquire flight instructor license.

Zhuhai Xiang Yi Aviation Technology Co. is the first domestic training center to teach foreign pilot instructors using English under the requirements of CCAR-61.

Luliang Airport site chosen

山西吕梁将建飞机场 首选场址方山县

China Airport Construction Corp. has chosen Sunjianshan in Dawu, Fangshan county as the location for the Lulian Airport after conducting a survey on April 5.

The group also inspected Xinglongwan in Yukou Town, and Tianjiahui in Lishi District.

The decision was based on better clearance condition and other criteria. Luliang municipal government said it would undertake basic work on the location such as land, geology, weather, environment protection, mineral, and roads.

CAAC, Fujian to develop air transport

中国民航总局支持福建省和台湾的民航合作与交流

The Civil Aviation Administration of China and the Fujian provincial government held a signing ceremony on April 5 in Fuzhou City for the summary of talks to expedite civil aviation construction on the west shore of the Taiwan Strait.

The CAAC supports civil aviation cooperation between Fujian and Taiwan to form the convenient main channel for cross-straits flights.

Fujian civil aviation has developed over the years.

During the 10th Five-Year Plan, passenger volume in Fujian increased by 12.5 percent.

In 2006, passenger volume reached 12.96 million, and cargo and mail throughput reached 257,500 tons.

The province has opened 23 international, Hong Kong and Macau air routes, and 117 domestic air routes. Every week there are 1,044 domestic flights and 180 international and Hong Kong and Macao flights departing from the province.

During the 11th Five-Year Plan, the CAAC and Fujian will enhance the support on aviation infrastructure construction, and promotion of the sustained and rapid development of civil aviation industry on the west shore of Taiwan Strait.



Both will together study and establish the plan of development of civil aviation industry on the west shore of Taiwan Strait and the medium and long term plans for civil airports.

Fujian will also expedite regional network hub of civil transport airports on west shore of Taiwan Strait, which will make Fuzhou Changle Airport and Xiamen Changqi Airport as hubs, taking Quanzhou Jinjiang Airport and Wuyishan Airport as backbone, and taking other small airports as supplementary airports including Sanming Airport and Liancheng Airport.

CAAC supports all Fujian provincial airports to open flights to Taiwan including the development of cross-straits business of air-sea transportation.

Commercial Aviation News

Shenzhen Airport net profit in 2006 up by 12.52%

深圳机场去年旅客吞吐量1835万人次

Shenzhen International Airport posted a net profit of RMB 407 million last year, up by 12.52 percent compared to 2005. The airport's operating income reached RMB 1.142 billion last year, an increase of 12.78 percent on a year-to-year basis.

In 2006, the airport handled 18.35 million passengers, up by 12.73 percent; and 559,200 tons of cargo and mail, higher by 19.8 percent. Aircraft movements reached 169,500, an increase of 11.96 percent.

Shenzhen Airport opened several air routes last year to Seoul, Ho Chi Minh and Nagoya. Tiger Airways, East Star Airlines, Jade Airlines and East Pacific Airlines started flying to and from Shenzhen.

There are more than 120 air routes to Shenzhen Airport. Airlines can fly to more than 90 domestic and foreign cities. More than 190 international passenger flights emanate from the airport every week and there are an average of 490 scheduled flights every day.

ARJ21 tail section delivered

首架ARJ21最后一个关键大部件在沈阳顺利交付

The tail section of the ARJ21, the first China-made aircraft, was delivered by Shenyang Aircraft Corporation of China Aviation Industry Corp. 1 on March 13.

The aircraft is China's first venture into aircraft manufacturing.

Vice General Manager Liu Qianyou of AVIC1 Commercial Aircraft Co. said the first three ARJ21 jets are expected to be delivered to customers in 2009. Current

orders of the aircraft have reached 71.

As one of the manufacturers of the ARJ21 new turboprop regional jet, Shenyang Aircraft undertakes 18 percent of the whole production and control the volume of the jet. The large components of the first model jet were already delivered, including the nose section, forward fuselage, center fuselage, center and rear fuselage, wings and tail section. The project will now enter the general assembly stage.

Lin Zuoming, general manager of AVIC 1, said the ARJ21 is a key Chinese project. The Chinese government officially approved the project in 2003.

The ARJ21 is a turboprop regional jet with 70-90 seats and a maximum range of 2000 miles. China organized domestic and foreign suppliers to participate in the jet production and controlled the core technology.



AeroSvit to open flight to Shanghai

乌克兰空中世界航空将开通基辅——上海航班

AeroSvit Ukrainian Airlines will open a once-a-week flight from Kyiv to Shanghai starting on May 25. The airline will use a B767 aircraft for the flight.

In addition, AeroSvit will increase its

Kyiv-Beijing flights from two to three per week starting May 25. This will result in having four scheduled direct flights between Ukraine and China every week.

Hainan, JAL in code-sharing accord

海航与日航签署代码共享协议



Hainan Airlines and Japan Airlines signed a code-sharing agreement on the Beijing-Osaka route on March 7

China is a major tourist source for Japan, and is also a major tourist destination for Japanese tourists.

As the second largest city in Japan, Osaka is a finance and trade center and an important traffic hub in west Japan.

Hainan and JAL will operate a total of 12 flights every week on the route with HNA operating five and JAL seven.

Yangtze River launches flight

扬子江快运开通上海浦东至纽约、波士顿货运航线

Yangtze River Express Airlines launched its maiden flight on the Shanghai Pudong-Anchorage-New York-Boston route on March 8.

Since 2005, Yangtze River Express operates cargo flights from Chinese cities to Seoul, Clark, Manila, Dhaka, Bangkok and Singapore. Last June, the airline inaugurated the first continental air route from Pudong-Anchorage-Los Angeles.

Yangtze River Express, established in 2002, was originally owned by Hainan Airlines. In December 2004, the airline was allowed to operate international flights.

It flies to main domestic cities including Shanghai, Shenzhen, Xiamen, Dalian, Hangzhou, Beijing, Yantai, Qingdao and Weifang. Its foreign destinations are Los Angeles, Seoul, Osaka, Manila, Clark, Dhaka, Singapore and Bangkok.

FedEx to offer overnight express service in China

联邦快递将在19个中国城市推出隔夜快递业务

FedEx Express will offer overnight domestic express service in China starting on May 28, banking on China's robust economic growth.

The new domestic offering will connect businesses both within China and around the world, FedEx said in a statement. The company connects more than 90 percent of China's gross domestic product to the rest of the world through its global network.

The new domestic service will serve China's market with an overnight delivery service to 19 cities and a day-definite service to more than 200 cities throughout the country.

FedEx sees companies across China, including second- and third-tier cities, benefiting from increased domestic reach, and greater connectivity among cities. As a bonus, FedEx will offer a money-back guarantee for the next-business-day express service.

"We are well-positioned to capitalize on China's transition to a consumer economy through its rapidly growing middle class," said Michael Ducker, president of FedEx Express International.

"This is a strong signal to us that many

companies view domestic express service in China as a catalyst for growth and competitiveness in this exploding market," said Eddy Chan, senior vice president of FedEx China.

Like the U.S. express hub-and-spoke system which FedEx pioneered, the domestic express network includes a hub-and-spoke system centered at the Hangzhou Xiaoshan International Airport in Zhejiang Province. The new hub will initially be able to sort up to 9,000 packages per hour.

Chinese carrier Okay Airways will provide the domestic air transportation using three Boeing 737 freighters. Okay Airways will operate two circular routes nightly, covering the country's major airports.

"We greatly appreciate the Zhejiang government's commitment to expanding business opportunities by increasing access to markets," said David Cunningham Jr., president of FedEx Asia Pacific.

"Hangzhou offers an excellent combination of infrastructure, air traffic capacity, air traffic capacity, geographic location and weather conditions," he said.

Ameco, CAUC establish master-degree education

中国民航大学和Ameco合作成立研究生联合培养基地

Ameco Beijing and the Civil Aviation University of China (CAUC) announced the establishment of a joint master degree education to strengthen the aviation industry in China.

The education base will adopt a "dual tutor" system, where both Ameco and CAUC will jointly supervise and guide postgraduate students based on the requirements of CAUC. Having completed the classroom education for one year at CAUC, the students will go to Ameco for practical training.



The education will provide a range of specialization options including mechatronic engineering; pattern recognition and intelligent system; navigation, guidance and control; computer applied technology; safety technology; flight vehicle design; aerospace propulsion theory and engineering; man-machine and environmental engineering; management science and engineering.

All Ameco tutors are highly skilled advanced engineers. Those who will qualify to teach will be hired as part-time postgraduate tutors.

The establishment of the joint master degree education base is likened to an "open" education system.

In recent years, Ameco Beijing has established close ties with CAUC in technology development and student education. Currently Ameco has four CAUC guest professors and postgraduate student tutors. With the establishment of the education base, the total number of tutors will be 15.

Attending the ceremony to announce the program are Wu Tongshui, CAUC president, and Ameco Beijing's Chai Weixi, CEO and general manager, and Andreas Meisel, general manager.

Sino-US joint venture to make helicopters

中美合资制造直升机

California-based Hiller Aircraft Corp. formed a joint venture with a Chinese company to establish a plant in Zhangjiakou in Hebei province for the manufacture of civilian helicopters.

The joint venture will invest US\$ 15 million to produce Hiller helicopters, which can be widely used for spraying pesticides, forest firefighting, emergency

rescue and disaster relief.

The construction of the plant will start this year and will be put into operation by next year. Five helicopters will be initially produced.

Once in operation, the plant can produce 500 helicopters annually after three to five years with a yearly production value of RMB 200 million.

Harbin Taiping Airport passes test

哈尔滨机场通过飞行校验

Harbin Taiping International Airport passed the flight calibration test of the Civil Aviation Administration of China.

From March 30 to April 3, CAAC's Flight Calibration Center tested the airport's navigation facilities, including the instrument landing system south and

north end of the runway, non-directional beacon navigation station, and precision approach path indicator light.

The result showed that all indexes of navigation facilities and navigation aid light system of Harbin Airport fulfilled the requirements of national standards.

Air China's net income rises by 87%

国航净收入增长87%

Flag carrier Air China posted a net income of RMB 3.19 billion (US\$ 412.8 million) in 2006, higher by 86.7 percent compared to its 2005 net profit of RMB 1.7 billion (US\$ 221 million) as its revenues increased by 17.4 percent to RMB 44.93 billion.

Of the total revenues, airline operations increased by 16.9 percent to RMB 43.7 billion; engineering services, RMB 481 million; airport terminal services, RMB 496.74 million; and others, RMB 250.16 million. The increase in revenues was mainly attributed to airline operation business.

Revenue generated from passenger traffic rose by 19 percent to RMB 37.56 billion last year from RMB 31.58 billion in 2005.

"It was mainly attributable to the increase in transport capacity, passenger load factor and profitability level," the Group said. Its available seat kilometer increased to 83.49 billion ton-km from 74.08 billion ton-km in 2005. Passenger load factor increased to 75.9 percent from 74 percent.

Revenue from cargo also increased to RMB 4.04 billion last year from RMB 3.71 billion in 2005. Freight ton-km rose by 20.4 percent to 6.404 billion ton-km in 2006 from 5.319 billion ton-km in 2005.

Last year, Air China, Air China Cargo and Air Macau Co. carried 33.97 million passengers and 1.01 million tons of cargo and mail, higher by 14.2 percent and 15.2 percent, respectively. Total traffic turnover reached 9.17 billion ton-km last year.

Air China's operating expenses rose by 22.5 percent to RMB 42.41 billion last year with jet fuel costs amounting to RMB 15.71 billion, which accounts for 37 percent of the total. The airline spent 33.4 percent more last year than in 2005. The airline's other operating expenses also increased including takeoff, landing and depot charges; and aircraft maintenance, repair and overhaul costs.

Profit from operations decreased to RMB 1.52 billion last year from RMB 2.39 billion in 2005. Air China said the decrease was due to an increase in the cost of operations. Of the total, profit from airline operations amounted to RMB 2.28 billion, lower by 32.3 percent; engineering services, RMB 34.83 million; airport terminal services, RMB 175.44 million; and others, RMB 25.67 million.

The Air China Group increased its total fleet by 29 aircraft to 225 by end of 2006.

"The company focused on enhancing the flight capacity while constructing hubs and network," the Group said in its financial report.

Airspace modeling done in Southwest China

西南地区空域建模调研工作启动

The joint technical group composed of the Civil Aviation Administration of China, Air Traffic Management Bureau, Southwest Air Traffic Management Bureau and Boeing Co. conducted airspace modeling investigation and research in Southwest China from March 25 to April 3.

The group collected data in Chengdu, Kunming, Guiyang and Chongqing. The CAAC and ATMB plan to establish a national airspace modeling through six phases of investigation and research.

China's large aircraft will be made in Shanghai

Shanghai is solidifying its status as the new aviation center in China as authorities announced that the ambitious large aircraft project will be made in Shanghai and Xi'an.

China is planning to produce its own large aircraft with at least 150 seats and a takeoff weight of at least 100 tons.

International cooperation is needed to make the plan successful. Foreign and Chinese investors may be invited to participate in the manufacture of the aircraft.

Authorities are saying that Shanghai has the geographical advantage to become a new aviation industry hub.

According to reports, China needs about US\$100 billion to invest in the jumbo aircraft project, which is targeted initially for the domestic market.

The company that will spearhead the aircraft project is being set up to be led by the China Aviation Industry Corp. 1 and 2.

China is experiencing a robust growth in aviation. Total passengers handled by China's airports totaled 332 million last year and is expected to grow in the next few years. The aviation industry in China will have an average growth rate of 11 percent per year.

To meet the demand, Shanghai is expanding its airports. The Shanghai Hongqiao Airport will have a new terminal and a second runway at a cost of RMB 15.3 billion.

China will invest RMB 140 billion for aviation in the next five years to construct 42 new airports and upgrade the existing aviation infrastructure. By 2010, the number of airports will increase to 190 and reach 220 by 2020.

It is estimated that China will have a total passenger traffic of 900 million by 2020.

In order to enhance cooperation and exchange between Chinese and foreign companies, and promote the development of aviation aerospace, the 2nd Shanghai International Aerospace Technology and Equipment Exhibition will be held from July 5-7 this year.

The exhibition is authorized by China's Ministry of Science and Technology and supported by the Shanghai Science and Technology Association, Shanghai Society of Aeronautics, Shanghai Society of Astronautics, China Aerospace Tooling Association, China Civil Aviation Maintenance Association, and Air Equipment Suppliers Qualification Confirmation Committee.

This exhibition is also supported by the China Aviation Industry Corp. I and China Aviation Industry Corp. II.

There are 15 societies in aeronautics and astronautics in cities and provinces that will attend the exhibition. Exhibitors will come from 12 countries and regions. Five forums on aerospace will be held.

About 20,000 professionals and aviation enthusiasts are expected to attend the exhibition.

For more information, log on to WWW.ATE-EXPO.COM.



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Bryan Huang, *Chief Executive Officer, Juneyao Group*

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