

# CHINA CIVIL AVIATION REPORT

[www.ChinaCivilAviation.com](http://www.ChinaCivilAviation.com)

民航报导

Volume 7, Issue 3  
March 2005

## Business Aviation

China's Premier Jet Charter Operator Speaks  
About the Market

GA in China Takes a Forward Step

New Baiyun Airport's Parallel Runways

Air China and Airbus' Big Deal

And More....



金鹿航空  
DEER JET

Anytime, Anywhere

# Executive Flight Charter Service

Your World According to Your Schedule



**Deer Jet** Co., Ltd.

Beijing Headquarters:  
24-hour Customer Service Center

Tel: +86 10 6506 8300  
Fax: +86 10 6506 8221

E-mail: [sale1@deerjet.com](mailto:sale1@deerjet.com)  
[Http://www.deerjet.com](http://www.deerjet.com)

# Contents

Volume 7, issue 3      March 2005

## Pg 2 News Briefs

*The Spark to Ignite the GA Fire a Reality* .....

- Civil Aviation Flight University of China Steps up Training Equipment
- Private Ownership of Aviation Transport Firms Now Possible
- Capital Airport Holding Company's New Goals
- Complete Cargo Station Opened at Chongqing Airport
- China Civil Aviation Report Low Rate of Delays
- Lufthansa Plane Wanders Off the Beaten Path, Literally
- Raytheon Enters Business Jet Arena



## Pg 5 Aircraft Update

*Air China and Airbus Sign Agreement for 20 A330-200s* .....

- The 6<sup>th</sup> ERJ145 Off the Assembly Line
- Chinese Firms to be Involved in A380 Production
- Air China Obtains 5 Bombardier Regional Jets



## Pg 6 Commercial Aviation Corner

- British Airways Increase Operation Capacity in China
- Shanghai Pudong Airport's Second Runway Cleared for Operation
- Guangzhou New Baiyun Airport Reveals Parallel Landing Plans* .....

- Cathay Pacific Looking to Cement HK as Global Hub
- Hong Kong and Mainland Team-up
- Okay Airways Licensed as "First Private Airline in China"
- Taiyuan Airport OK for Foreign Service



## Pg 8 Feature Article

*Time = Money*  
*The Ups and Downs of Business Aviation in China*

## Pg 11 Noteworthy News

### China Civil Aviation Report (CCAR)

is published monthly by Uniworld LLC in conjunction with China Civil Aviation, a magazine published by the Civil Aviation Administration of China (CAAC).

**Publisher**  
Francis Chao

**Productions Director/Staff Writer**  
George Chao

**Advertising/Subscription Director**  
Andrew Edlefsen

**Chief China Correspondent**  
Lili Wang

**China Correspondent**  
James Meng

Layout and Graphics Design  
Lin Zhang  
Emeng Hu

To contact CCAR or Subscribe, please contact: [Info@ChinaCivilAviation.com](mailto:Info@ChinaCivilAviation.com) or visit: [www.ChinaCivilAviation.com](http://www.ChinaCivilAviation.com)

**US\$95/Year (USA)**  
**US\$120/Year (International)**

POSTMASTER: please send address changes and Corrections to:  
CCAR, c/o Uniworld LLC  
690 Garcia Ave Ste. A/B, Pittsburg, CA 94565, USA

(This is applicable to US residents only.)

## The Spark to Ignite the GA Fire a Reality

The first and only general aviation association in China has been established in Shenyang. Consisting of 12 GA operators and multiple air fields, the China Northern Agricultural Aviation Association was set up to promote the development of general aviation in China. This marks a significant occasion because it officially signifies general aviation programs being implemented and recognized by the Chinese government.

The Deputy Director of the Shenyang Economic Committee, Mr. Zhao Shihong, acknowledges that it is the proper time to begin developing GA in China and sees general aviation playing an important role in the development of Shenyang's industries. Mr. Zhao noted that Shenyang City is implementing policies to support the growth of the GA sector and the members of the China Northern Agricultural Aviation Association. He also added that Shenyang is an ideal location to start the nation's first GA association because it is home to three large aviation manufacturers and R&D centers.



[The CNAAA is a much needed step towards GA in China]

## Civil Aviation Flight University of China Steps up Training Equipment

The Civil Aviation Flight University of China

signed a purchase contract with the Canadian firm MECHTRONIX on January 19th to purchase a CJ-1 Full Flight Trainer and fixed flight training device valued at roughly RMB160 million.

In addition to the CJ-1 and fixed flight training device, the University is also importing an Airbus CJ-1 flight simulator plane and 55 new civil training planes for use. With the new equipment, the Civil Aviation Flight University of China will be able to efficiently train students according to airline requirements set forth in the Boeing and Airbus series, allowing students the possibility of gaining their airline pilot license immediately after graduation.

## Private Aviation Transport Firms Now Possible

On January 15th, China took another step towards privatizing its aviation sectors by passing the "Public Aviation Transportation Corporation Management Permission Regulation". In essence, this new regulation now allows private ownership of aviation transport businesses in China given that a company can fulfill the CAAC requirements of:

- Having a minimum of 3 aircraft purchased or on lease
- Capital of at least 80 million RMB at the time of application
- Qualified personnel (pilots, maintenance, etc.)
- A fixed base of operation and relationships with the local governments and airports.

Currently, 10 groups have submitted applications for review with 4 groups already approved. This new development

will hopefully bring more options and lower travel prices to China's travelers.

## Capital Airports Holding Company's New Goals

Recently, Capital Airports Holding Company revealed their game-plan for the upcoming 2005 year. The CAHC owns Capital Airport, Tianjin Airport, Jiangxi Airport, Hubei Airport, Chongqing Airport, and Guangzhou Airport as well as significant shares of Shenyang Airport and the Dalian Airport.



General Manager of the CAHC, Mr. Li Peiyong said that in 2005, the holding group is looking to bring in an influential partner company or investor with plenty of managerial experience and clout to help focus and improve operations toward improved goals and higher revenues. Currently, the CAHC has 16 member airports and served over 59 million travelers in 2004, approximately 25.3% of all air travelers in China. In 2005, the CAHC is aiming at a gross income of 8.8 billion RMB, net profits close to 1 billion RMB and a productivity rate of 350,000RMB per person.

## Complete Cargo Station Opened at Chongqing Airport

On February 1st, 2005, the recently completed and most extensive cargo station in Southwest China was opened for operation at Chongqing Airport. The new cargo station's operational capabilities increased Chongqing Airport's cargo handling capacity to over 300 thousand tons per year, making it one of the top three aviation cargo centers in West China.

This cargo station plus the ongoing passenger terminal expansion is part of the Chongqing Airport II expansion program which cost the airport an estimated RMB50 million. The new expansion will allow Chongqing to handle increased international and domestic cargo as well as provide service to Boeing 767 and A320. Specifics of the expansion includes a new 7,500 square meter cargo warehouse with custom bonded warehouses, refrigeration facilities, valuable item storage, dangerous cargo warehouse, and storage stacks as well as a 20,000 square meter parking lot and cargo sorting area.

Chongqing Airport's cargo volume capacity has increased drastically in recent years, from 55 thousand tons in 1998 to 110 thousand tons in 2004, ranking it 11th amongst China's airports. The growth has been attributed to the increased commercial development of Chongqing and its ever increasing need for aviation cargo transport. Chongqing

Airport has no plans of slowing down its expansion progress; the airport is optimistically aiming for a 250 thousand ton cargo volume by 2010 and a 500 thousand ton cargo volume by 2020.

## China Civil Aviation Reports Low Rate of Delays

Statistics released by the CAAC show average fourth-quarter figures of the rate of delays among Chinese airline flights to be 16.82%, a 3.28% lower mark than the global average of 20%.

Of the 9 major airlines in China, the "most punctual" operator was Sichuan Airlines, followed by Shenzhen Airlines, Xiamen Airlines, Shanghai Airlines, Shandong Airlines, Hainan Airlines, Air China, China Southern Airlines, and China Eastern Airlines. Sichuan Airlines led the field with a mark of 13.77%, while Eastern Airlines reported an industry high of 19.76%.

## Lufthansa Plane Wanders Off the Beaten Path, Literally

On February 2nd, an A340 belonging to Lufthansa Airlines careened onto the lawn of Guangzhou Baiyun Airport while attempting to transition from the runway onto the taxiway upon landing. No individuals were hurt but the mishap resulted in a ruptured tire for the A340.

Immediately after the accident several fire engines and ambulances descended upon the scene, where fire engines sprayed the ruptured tire with water to prevent any possible fire

hazards. The passengers were escorted out of the plane 10 minutes later.

The flight departed Frankfurt and arrived in Guangzhou via Shanghai. Investigators are still looking into this incident but did say that light rains were present at the time of the accident.

## Raytheon Enters Business Jet Arena

The first privately owned Raytheon business jet in China is a Beechcraft Premier I. Hangzhou Daoyuan Chemical Fibre Group, a privately held company, purchased the six-seat, composite-fuselage business jet on January 20th, for company transportation throughout China and the Pacific Rim. The aircraft will be based in Hangzhou, China, and will be managed by Deerjet, the charter company of Hainan Airlines of Haikou, China. The Beechcraft Premier will begin operation this spring.

Ted Farid, Vice President of International Sales at Raytheon Aircraft, anticipates sales to pick up as China's aviation becomes more mature, noting that their wide lineup of business aircraft has the versatility to fill all of China's air travel needs.



*[Raytheon lands its first business jet in China, a Premier I]*



***The World's Fastest  
Light Business Jet... 560 mph.  
Intercontinental Range... 2875 sm.***

*You could call it superplane and  
not be exaggerating. Not only is it fast,  
it has intercontinental range that  
no other jet in this class can deliver.  
560 mph. Over 2800 statute mile range.*

*SJ30-2. The most advanced  
light business jet in the sky today.*

***The Perfect Package of Speed, Range... and Good Looks.***

***SJ30-2***

1.888.JET.SJ30 • 949.851.0900 • [www.sj30jet.com](http://www.sj30jet.com)  
Sino Swearingen Aircraft Corporation • 1770 Skyplace Blvd. • San Antonio, TX 78216

Distributorships available in select areas worldwide.  
Preliminary specifications subject to change.



## Air China and Airbus Sign Agreement for 20 A330-200

According to Air China, a purchase contract was struck on Jan 26th with Airbus to purchase 20 A330-200s. The market price of these 20 planes is around USD2.86 billion, but it was reported that the actual price of the deal was significantly lower. This purchase was finalized with additional help from commercial bank loans and delivery of the 20 new Airbus aircraft is scheduled for mid 2006 to the end of 2008.

Air China plans to utilize these aircraft on their European, Australian, and North American routes as well as their domestic routes to destinations such as Lhasa, Tibet.



[Air China is expecting delivery of the 20 A330-200 between 2006 and 2008]

## The 6<sup>th</sup> ERJ145 Off the Assembly Line

The sixth ERJ 145 regional jet has been completed and delivered to the China Southern Airline group, completing their 6 aircraft order. Produced as a joint venture (Harbin Embraer Aircraft Industry Co. Ltd.) between China and Brazil, the five ERJ145's which were previously produced have already been deployed in domestic routes throughout China.

The ERJ145 is the product of the first ever joint-venture program between China and a foreign aircraft manufacturer. The



[The ERJ145, the first ever joint venture project for China]

50-seat regional jet houses three seats to a row and offers a range of 2600km. China and Brazil are equally excited about the potential of the ERJ145, noting that presently, China has a total of 660 civil aviation planes but only 70 regional aircraft, accounting for less than 12% of the total fleet, while, this percentage pales in comparison to the current world average of 35%.

## Chinese Firms to Be Involved in A380 Production

At the end of January, China Southern Airlines, with help from the China Aviation Supply Import/Export Company, placed an order with the French plane manufacturer Airbus for five A380's. At the signing ceremony, an Airbus official revealed that in June 2004, Airbus entered an "Industrial Cooperation Protocol" with China Aviation Industry Corporation I in Paris worth USD100million.

The protocol consists of two different projects; the first project calls for the production of the top/side landing gear compartment panels of the A380 to be subcontracted to China Aviation Industry Corporation I, the second project also calls for AVIC I to supply Airbus with front cargo door assembly for their A330/A340

aircraft.

AVIC I's subsidiaries Shenyang Aircraft Corporation Ltd, Chengdu Aircrafts Corporation Ltd, Xi'an Aircraft Corporation Ltd, Honyuan Aviation Forge Corporation and Guizhou Aviation Industry Corporation will likely handle the actual production of the A380 parts. The front cargo door assembly for the A330/A340 will be produced by Shenyang Aircraft Corporation Ltd. and monitored by the French firm LATECOERE.

## Air China Obtains 5 Bombardier Regional Jets

The Southwest branch of Air China is putting to use five borrowed Bombardier regional jets from Shandong Airlines. The rented Bombardier jets will service Southwest China's regional aviation market by March. Aviation insiders are noting that regional aviation ticket prices are decreasing in Southwest China, and the injection of these new planes will help optimize the network in the area.



Air China plans to use the Bombardier jets to increase flight operations to routes such as: Chengdu-Xichang, Chengdu-Panzhuhua, Changdu-Changzhou, Luzhou-Kunming, and Luzhou-Guangzhou. In addition, Air China will also utilize the jets in longer domestic routes that serve fewer passengers.



## British Airways Increases Operation Capacity in China

On the heels of the announcement that England has become an official China-designated tourist destination, British Airways has announced its plans to increase service to and from China. On January 26th, the British Tourism and Sport Minister Richard Carbon, along with British Airways Executive Andrew Cahn, and British Airways China Manager Tim Ramage made the announcement that British Airways is focused on increasing the operation capacity of its airline in China.

Currently, British Airways is operating 22 total scheduled flights from London to China, 5 to Beijing via Boeing 777 and 17 to Hong Kong via Boeing 747. By June the London-Beijing route will be increased to 6 flights a week while the London-Hong Kong route will have a total of 21 scheduled flights a week. The decision to increase flight operations was partly due to the large success of the 2 Shanghai-London cargo routes that BA opened in April of 2004.



*[Britain has experienced a spike in Chinese tourism since being appointed as China tourist destination]*

Since the signing of the Memorandum

of Understanding (MoU) to increase flights between the Chinese and British Governments in February 2004, British Airways has been incorporating more Chinese speaking aircrews and support, as well as Chinese-subtitled films, and food on their flights. In Heathrow, Chinese passengers can even find help at check in and customs counters from Chinese speaking agents.

## Shanghai Pudong Airport's Second Runway Cleared for Operation



*[Shanghai Pudong Airport's second runway now operational]*

On January 27th, Shanghai Pudong Airport's second runway witnessed its first successful aircraft landing. A CAAC sanctioned King Air-200 flight inspection aircraft made the maiden landing at midnight on the newly built runway. According to Flight Engineer, Tang Enyu, the entire flight and landing process was completed flawlessly.

The entire inspection process took place between January 27th-31st, and tested both runways, air space, and the airport's CAT III instrument landing system capabilities. Upon conclusion of the

inspections, Tang Enyu confirmed that the inspection data shows that all navigational signals are clear and stable, and the runways can service aircraft up to A380.

## Guangzhou New Baiyun Airport Reveals Parallel Landing Plans

Guangzhou New Baiyun Airport recently reported its plans to implement the first-ever parallel landing operation in China. The airport looks to maximize their east and west runways by initiating the parallel landing program sometime in 2005. Airport officials say that this transition will allow New Baiyun Airport to handle a large increase in flights as well as compensate for weather as well as other causes of flight delay.

Analysts say that Guangzhou New Baiyun Airport is not currently maximizing the operational capability of its two runways, designating each as a sole take off or landing runway.

Despite the designated runway operation, the first half year of New Baiyun Airport has been very optimistic. The airport is averaging over 700 takeoffs and landings a day, a 6.8% increase over the old Baiyun Airport's average of 664 per day. The maximum flight per hour recorded is 49 and passenger volume for China's recent Spring Festival was over 90 thousand per day. According to airport officials, passenger volume has already surpassed the goals set for 2010.



## Cathay Pacific Looking to Cement HK as Global Hub

On February 17th, Cathay Pacific Airways obtained their 88th aircraft, an all-cargo Boeing 747-400F. Cathay's latest acquisition is just a step in their expansion plan to strengthen the Hong Kong Airport as a Global Hub.



*[Cathay Pacific increases their fleet to 88 aircraft]*

Cathay now operates a 12 cargo plane fleet and its latest addition will serve the HK-Singapore route beginning late February. Cathay Pacific is also scheduled to receive 4 additional planes in 2005 (a Boeing 777-300 and three A330-300), as well as purchase another 8 aircraft (two Boeing 777-300 and six A330-300) for delivery in 2007.

## Hong Kong and Mainland Team-up

The Hong Kong Airport Management Bureau signed a Letter of Intent with the Hangzhou Xiaoshan Airport on January 17th for a joint-venture operation. The Hong Kong Airport Management Bureau will help fund the airport and in return will gain 25-49% of the shares of Hangzhou Xiaoshan Airport. The exact figures of the deal have yet to be released, however

HKAMB is expected to hold over 30% of the Airport's shares, and upon completion of the joint-venture, Hangzhou Xiaoshan is expected to be listed on the HK exchange.

The joint-venture is expected to be in effect for Hangzhou Xiaoshan's Phase II and Logistics Park construction, which are expected to cost between 2-2.5 billion RMB and 0.5 billion RMB respectively.

## Okay Airways Licensed as "First Private Airline in China"

In light of the new regulations regarding private aviation transport firms in China, Okay Airways Company Ltd. has distinguished themselves as the first private group in China to be licensed by the CAAC to operate a private airline. The license was approved on February 27th, and the airline is expected to begin operations in early March.



*[Okay Airways will start off operating two Boeing 737-900 aircraft]*

Okay Airways has decided to utilize the Boeing 737-900 aircraft for its operations, noting that, "We believe that the 737-900 is the best airplane to meet passenger needs and generate profits for the company, while offering lower ticket prices and benefiting our society." Currently the newest Chinese carrier has agreed to sublease two 737-900 from Korean Airlines and will be

operating them primarily for passenger service from Tianjin to Kunming, Zhang Jiajie, Hohhot, Guilin, Changsha, Taiyuan and Haerbin.

Okay Airways will begin with charter, cargo and mail transport, and express services from its base of operations in Tianjin. Additional services and routes are expected based on fleet expansion in the future.

## Taiyuan Airport Gets OK for Foreign Service

On January 27th, a committee of eight airport officials concluded the inspection of Taiyuan Airport and deemed the aviation port capable of handling foreign flights. The committee consisted of officers from the General Administration of China Customs, Ministry of Public Security, General Administration of Quality Supervision, and Inspection and Quarantine of China, whom unanimously agreed that Taiyuan Airport was capable of handling foreign flights.

Since its inception in 1993, Taiyuan Airport has served as a temporary charter/ cargo charter airport. In the past 10 years Taiyuan has steadily undergone renovations to bring it up to par for foreign flight service. Successfully approved for foreign flight, Taiyuan Airport now turns its objectives towards bringing in international airline operators, cargo operators as well as refocusing on construction efforts to begin paving the way towards social and economic profit.

# Time = Money

## The Ups and Downs of Business Aviation in China

Written By: George Chao



**T**he CEO of a multi-billion dollar corporation carefully gathers a few personal items and heads quickly towards the airport, knowing that in half an hour, he will be sitting in the cabin of a Raytheon King Air 350 heading towards a business meeting on the other side of the country. At the same time, a newlywed couple decides to begin their newly consummated marriage by chartering a Cessna Citation to whisk them away to a tropical island somewhere in the Pacific. Business and private aviation have long been a symbol for the ultimate freedom in the United States, allowing individuals and companies increased access to the most coveted commodity, time. No longer just a luxury for the ultra-rich, anyone with a little cash nowadays is just a chartering company away from being in the air in their own (possibly fractionally owned) personal aircraft.

With their extensive history in aviation, many United States passengers now regard personal transportation as a right and no longer a privilege. Having the ability to come and go at will is something that US business aviation operators have been

perfecting and enjoying for over 50 years. The increase in versatility and productivity have long intrigued countries not fortunate enough to enjoy this luxury, however, with the recent upsurge in the Chinese economy, more and more individuals in China are rapidly noticing a growing demand for personal transportation.

China's business aviation market can be described as still being in its infancy, with only a handful of operators trying to build the market from the ground up. Within the handful of business aviation operators in China, DeerJet, a subsidiary of Hainan Airlines, is the largest and considered the pioneer of business aviation in China. In 1995, Hainan Airlines noticed the barren and non-existent business charter market and realized that as China developed, a niche would be naturally carved out for business and private aviation and in turn created DeerJet, the first business aviation operator in China's history. From 1995 to present day, China has witnessed a lot of change in its economic and aviation environments; personal incomes have increased, regulations have been loosened, and China is experiencing the most robust

# Time = Money

aviation growth in the world, however, business aviation has been the one sector that has yet to experience substantial growth according to expectations.

On paper, the slow progression of the business aviation market in China is somewhat odd. China has all of the characteristics to support a robust business aviation sector; it has adequate demand from passengers, plenty of airports, capital to purchase equipment, and with 20% of the population controlling 80% of the entire national savings, there are certainly enough individuals capable of paying for charter services. But why then is the business aviation market stagnating? A recent chat with DeerJet reveals the reasons behind the lackadaisical state of business aviation in China and the measures needed to jumpstart the industry.

## A Successful Business Model

Being a business aviation operator in China, one of the immediate challenges that one faces is the lack of successful business models to refer to. In a market that is barely a decade old, there is no such thing as learning from the industry leader because every firm in the market is still trying to find their own operational approach. Although DeerJet has been in business the longest, firms such as Rainbow Jet, a subsidiary of Shandong Airlines, have their own approach to operating in China's aviation environment. The lack of a business models basically means that each firm has to undergo their own progression by learning from their own mistakes. This makes it difficult to reach a common standard of operation among the different operators throughout the market.

## Equipment and Fractional Ownership

It took the United States almost sixty years to reach today's business aviation status; that is, having plenty of aircraft to satisfy the demands of the entire sector. Although presently China is purchasing aircraft at an unprecedented rate, a few firms simply cannot provide the entire industry with equipment. DeerJet realizes that in order for business aviation in China to take off, citizens must learn from the US and their fractional ownership programs and begin purchasing their own aircraft. By utilizing business aviation operators to store and manage investments, private owners are able to recoup a large portion of their investment by chartering their aircraft out to other customers. According to DeerJet, fractional ownership will be the next logical step if China is to be able to obtain sufficient equipment to satisfy the demand of the business aviation sector in the near future.

## Government Support

Although the aforementioned reasons hinder rapid development of business aviation in China, the main source of frustration for business aviation operators in China is the air space restrictions facing the sector. In China's current aviation environment, air space outside designated air routes is restricted and, as a result, business aviation and private jets have to compete for slots and routes with large commercial airliners. And with China's current policies favoring commercial aviation, business aviation is often cast aside

and forced to sacrifice where, when and how they are able to fly; ultimately sacrificing the freedom that makes business aviation desirable in the first place.

By chance a business or private aviation operator actually gain clearance to fly, they are soon met with another challenge, where and when to land. Most airports in China do not have the time slots or facilities to cater to business jets, so when it comes down to deciding whether to land a Boeing 747 with a couple hundred passengers or a Bombardier carrying a handful, it's usually not a tough decision. In a system where precedence is given to airlines, there is little that business aviation operators can do except to sit and wait for change.

## The Future of Business Aviation

Despite the current obstacles facing the industry, few operators see this market as anything less than positive. In fact, on a daily basis, more and more firms look to start business aviation operations in China. There is in actuality an X-factor that I have yet to mention that negates all the hurdles facing the business aviation market in China, and that is the amount of potential profit. DeerJet reveals what every business aviation firm already knows, that no matter what the current situation may be, China's private aviation sector will be a force to be reckoned with in the near future. In a country where a skewed income distribution reign supreme and the top 100 wealthiest individuals are an average age of 45 and all have a net worth of over RMB500 million; not to mention a country that has witnessed unprecedented growths such as private enterprises jumping from 2% of total GDP in 1985 to 34% by 1997, it is a clear signal that what business aviation operators can count on is that China will not run short on money anytime soon. A quick glance at citizens in Chinese cities such as Beijing reveals China's shared passion for having the ultimate status-symbol. In a country where import duty is often times more than the price of the car itself, BMW's and Mercedes line the streets of the city. This fact in the eyes of business aviation operators like DeerJet, symbolize that it is all a matter of time before all the hurdles are cleared, and wealthy elites are taking their pick at a new Cessna instead of a Mercedes S Class.

It seems as though all the pieces of this puzzle are slowly being put together, and it is inevitable that the flood gates will open and business aviation will begin to flourish. However, at the present moment, the biggest obstacle facing the industry is undoubtedly air route and airport restrictions. If China is wary of consequences and compromises arising from rapid reform of its air space, it is safe to say that they have one advantage not available to their business aviation firms; they have at least two proven models on how to maximize aviation productivity and still maintain government control and security in the form of the United States and Europe. But for now, business aviation operators have to settle for playing the waiting game and hoping that China realizes that the benefits brought forth by business aviation are not only advantageous, but rather integral to the continued growth of a thriving country. Business aviation has the ability to grant something more valuable than money to a booming economy, it has the ability to grant more time.

HAWKER PACIFIC

# Innovation in *Aviation*

**Servicing Aviation in Asia**

## *Major Activities*

- Aircraft Maintenance, Repair and Overhaul
- Aircraft Engine Repair and Overhaul
- Special Mission Aircraft Modification
- Aircraft Avionics Modifications
- Spare Parts Distribution
- FBO and Ground Handling

**Hawker Pacific Beijing Office: C613A, Beijing Lufthansa Centre, Chaoyang District, Beijing China 100016**

HAWKER PACIFIC

**For more information please contact: Helena Lang - Chief Representative**

**Phone: +8610- 6466 6096 Fax: +8610- 6466 6026**

**E-mail: [helena.lang@hawkerpacific.com.au](mailto:helena.lang@hawkerpacific.com.au)**

**Web: [www.hawkerpacific.com.au](http://www.hawkerpacific.com.au)**



Feb 2 – China Southern Airlines laid down a 15-year development plan, utilizing Beijing Capital Airport Terminal 2 to establish a Beijing hub. This plan includes a 12% growth rate from 2005-2010, and a 10% growth rate from 2011-2020. The program is divided into 2 stages, with 2005-2008 to acquire 360 aircraft with total seating capacity of 55,400. 2008-2010 will see an increase in aircraft to 434. China Southern is aiming to be the No. 5 airline in Asia by 2011-2020.

Feb 4 – A Transasia Airways (a Taiwan operator) flight lands in Guangzhou's New Baiyun Airport at 10:40 a.m. This non-stop Charter flight was the first ever continuous flight from Taiwan to China. The trip to Guangzhou only carried 13 passengers but the return flight to Taiwan saw 120 travellers.

Feb 5 – Air China flight CA1087 took off from Beijing at 10 am, carrying 136 businessmen and family members heading to Taipei. During the Chinese Lunar New Year Air China made 4 round-trip flights between Beijing and Taipei. Jan 29, 2005 marks the first civil aircraft flight direct from China to Taiwan in 56 years.

Feb 6 – Uni Air began using the MD90 aircraft for the first Gaoxiong to Guangzhou non-stop flight. The flight left Gaoxiong International Airport at 10 am and arrived at 11:45 am at Guangzhou New Baiyun Airport. The aircraft, which has a passenger capacity of 152, saw only 20 passengers fly to Guangzhou but had a full returning flight.

Feb 15 – CAAC estimates 380,000 travelers during the last day of 2005 Chinese Lunar New Year holiday, establishing a new passenger volume record in China.

Feb 16 – Boeing China announced orders from 6 China airlines for 60 787 aircraft, totalling US\$7.2 billion. China Eastern Airlines and Shanghai Airlines ordered 24, 40% of the total order. 787 is official name of 7E7 aircraft, this is order is the biggest ever from China. Boeing will deliver the order before the 2008 Olympics.

Feb 17 – Hong Kong SAR Security Bureau submitted new law proposal for 2005 Aviation security regulations in order to expand scope for prevention of criminal activity on Hong Kong-registered aircraft to non-Hong Kong-registered aircraft. Prevention measures to address hijackings, physical destruction of aircraft, operational disturbance, alcohol/drug abuse, in-flight operational restrictions, etc. A criteria for this law is that the captain must make an official request in order for action to be taken.

Feb 24 – CAAC North China Administration organized flight inspector training and certified 84 flight inspectors for China's airlines. According to research, 70% of flight safety incidents are due to flight crew error. In order to improve standards management, China's airlines recruit CAAC-approved inspectors to supervise and monitor the operations.

Feb 25 – Shandong Airlines announced a partnership with Air China to develop a regional aviation program including regional routes from Beijing to Hohhot. According to the program, in 2004 Air China purchased Shandong Airlines group, giving them 22.8% share ownership. This partnership program utilizes the CRJ200 aircraft and serves the Beijing and Chendu bases.

Feb 28 – Cathay Pacific began service from Hong Kong to Xiamen.

## CHINA AVIATION SUPPLIES INTERNATIONAL TENDERING CO., LTD



We are the only company within China's civil air transport industry qualified for international tendering activities. For many years, we have been involved in tendering and purchasing activities for various large-scale infrastructure projects for China's civil air transport industry. Our experience, good relationships with customers and government agencies and professionalism have won us an excellent reputation at home and abroad.

Contact: [emd@cabidding.com](mailto:emd@cabidding.com)

Website: [www.casitc.com](http://www.casitc.com)



# Forum Preview

Every year aviation companies from around the world look forward to attending China GA Forum, the only aviation event in China that gathers together members of the international general aviation community alongside with key members of China's aviation community. We are excited about the hype and anticipation that has built up, both internationally and locally, for China GA Forum and look forward to growing participation each year we hold this event.

As we predicted would happen in China, the massive amounts of money that have been generated in traditional businesses during the past decades are now being invested in new and highly profitable industries, aviation being among the most promising. As of yet, we've only seen the tip of the iceberg as far as aviation investment in China, and with the help of aviation-promoting events such as China GA Forum, the rate of investment growth will most assuredly see a large and steady rise.

People throughout China are looking seriously at aviation investment opportunities. Not only private investors, but also companies of all sizes, and from all industries, are wanting to find ways to invest the stockpiles of money that has been accumulating in their businesses. Among those companies looking to invest, and also attending the 2005 Forum, is China Development Bank, one of the major government-backed financial institutions in China. Their objective for attending is simple, to seek out aviation projects that need financing and sit down with those international providers who are interested in doing business.

Other organizations you will be able to meet at China GA Forum 2005 include, among many others, Deer Jet, Beijing Capital Jet Co., Civil Aviation University of China, China Aviation Association, and CAAC, all of whom will be there to meet you and learn how your business can benefit them and the China aviation industry. It is obvious, due to China's large-scale participation this year, that the GA market there is on the verge of massive growth and development; it is no longer a "potential" GA market, and there are real business opportunities to be had there right now.

For additional details regarding China GA Forum visit [www.UniworldUSA.com/gaforum2005](http://www.UniworldUSA.com/gaforum2005) or contact Uniworld LLC, Tel: (925) 439-3799; Fax: (925) 439-3268; [China@UniworldUSA.com](mailto:China@UniworldUSA.com)



## 2005 GA Forum

**Xi'an International Conference Center  
Xi'an, China**

**Date: March 16 -18, 2005**



China General Aviation  
 4th Annual Forum  
 Xi'an, China  
 March 16-18, 2005

# Attendees . . .



**Raytheon**



**General Aviation  
 Manufacturers Association**



**AND MORE...**



首都机场集团公司  
要客部

Don't be forced to sacrifice your comfort just because work takes you half way around the world!

Beijing Airport VIP is your complete airport hospitality agent for the Beijing Capital International Airport. Whether you want to arrive in comfort or just enjoy a stress-free departure, Beijing Airport VIP offers red-carpet treatment to bypass long lines and expedite checkpoints (Immigration, Customs), luxurious lounges and waiting areas, internet/office connectivity, as well as all other amenities to take the stress out of your travels. With over 40 years of experience, 200 employees and thousands of satisfied VIPs, Beijing Airport VIP is your gateway to stress-free travel.

For more information about the affordable VIP packages and services offered by Beijing Airport VIP, please contact:

Tel: 1 (925) 439 3799 ext. 18  
Fax: 1 (925) 439 3268

[Info@ChinaCivilAviation.com](mailto:Info@ChinaCivilAviation.com)

# Enjoy the quieter side of Beijing Capital Airport



**Business does not take breaks,  
but now you can.**