



SIX-YEAR HIGH

ABACE 2017

by Katrina Balmaceda Uy

ASIA'S PRIVATE AVIATION CONVENTION GROWS WITH THE INDUSTRY

FIVE YEARS AGO, WHEN THE ASIAN BUSINESS AVIATION CONFERENCE & EXHIBITION (ABACE) LAUNCHED, industry watchers predicted it would eventually surpass its European counterpart, EBACE. It looks on track to do so. ABACE 2017, which took place from 11 to 13 April at the Shanghai Hongqiao International Airport, may have been the show's strongest edition to date, with more than 180 exhibitors, 33 aircraft on static display, and attendees from over 40 countries.

The show reflected a business jet market beginning to enter maturity, with major announcements focusing on services in response to the needs of a growing fleet. About 40 per cent of exhibitors were from Asia, compared to 25 per cent in 2012. The static display spanned the full spectrum of business aircraft, from pistons through to intercontinental jets, as well as an air ambulance, helicopters, amphibians, and even a solar-powered, unmanned aircraft.

This reflects the growing appreciation of smaller and lighter jets among the Chinese, who entered the market with an appetite for the largest cabins — an inverse of the growth trend in the US, which progressed from smaller to larger jets. Such a trend gave Michimasa Fujino, president and CEO of Honda Aircraft Company, the confidence to finally display the company's HondaJet at ABACE.

Perhaps more significantly, the event's opening general session drew top international and national speakers, such as Jiang Huaiyu, director general of the Eastern Regional Headquarters for the Civil Aviation Authority of China (CAAC); Geoff Jackson, executive director for the U.S.-China Aviation Cooperation Program; and Stephen Creamer, director of the Air Navigation Bureau at the International Civil Aviation Organization.

BIG DREAMS

Industry officials speaking at the show acknowledged both regulatory hurdles and the lack of infrastructure in China. They also discussed the market's potential, recording a 20 per cent annual increase in business aviation flights. It helps that the country recently dropped the rule requiring government approval when buying a private jet, as well as fees for registering aircraft locally. The changes are in line with CAAC's 13th Five-Year Plan for General Aviation Development, which focuses on developing general aviation public services.

China plans to build around 200 new general aviation airports between 2016 and 2020, and expects to have more than 5,000 general aviation aircraft and 7,000 general aviation pilots by 2020. The Beijing Daxing International Airport is expected to begin operations in 2019, while a second business aviation base at Shanghai Hongqiao International Airport will open in 2018. Jing Yiming, Shanghai Airport Authority president, announced the city's goal to become "the business aviation centre of North East Asia".

MAJOR ANNOUNCEMENTS

Demand for services increases with fleet growth. One local player to seize this opportunity is Shenzhen-based Amber Aviation, which launched at ABACE with ambitions to "become Asia's leader in bespoke business jet management services". The company was founded by China business aviation pioneer Mr. Chang Qiu Sheng, and promises flexible and personalised aviation management services.

Bombardier Business Aircraft partnered with Tianjin Airport Economic Area to open a service centre at Tianjin in north-eastern China. It comes with CAAC certification to support the Global, Challenger 604, Challenger 605 and Challenger 850 series. Boeing Business Jets (BBJ) signed an agreement with Ameco Beijing for the latter to serve as an official BBJ warranty service centre. Comlux, a business aviation services group that has been increasing its charter and completions activities in the region, announced its search for a partner in mainland China.

To satiate the demand for connectivity, Honeywell and Satcom Direct highlighted their cabin management and satellite communications systems. Honeywell announced the

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first ever certification and installation of its Aspire 200 satcom system on a Chinese operator's business jet. On the design front, Lufthansa Technik and Mercedes-Benz Style presented their VIP cabin design for private jets using both virtual and physical 3D models, as well as material samples. Airbus displayed an MJet ACJ319 with conference and lounge areas.

THE BIGGER PICTURE

ABACE also shed light on developments around Asia Pacific. Comlux's Kazakhstan aircraft management and charter operation took delivery of the first Sukhoi Business Jet to be certified by the European Aviation Safety Agency. Jet Aviation announced plans to increase the size of its facility at Singapore's Seletar Airport. Further east, Metrojet and Asian Sky Group conducted separate feasibility studies on the potential of the Philippines' Clark Air Base to become a business jet centre. Around the region, World Fuel Services is expanding its trip support resources.

GROWING PAINS

With the onset of maturity come growing pains. Asian Sky Group reported an increase in acquisitions and sales of pre-owned aircraft, making up 49 per cent of all deliveries into Asia Pacific in 2016. This signals an increasing orientation towards value and price. Even as 34 new aircraft were delivered in China last year, 34 left the fleet.

Older aircraft management companies and charter operators are also facing competition from start-ups. Digital platforms are challenging traditional methods of booking chartered flights and requesting services.

But these are good challenges to have. This year's ABACE has shown increased local player initiatives, government support and cooperation, and local and international private collaboration. We expect even more from ABACE 2018, which will take place from 17 to 19 April in Shanghai.



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