

Sky's the limit as Chinese leaders promote general aviation

A helicopter ambulance lands on a rooftop at Chongqing in southwestern China.

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Above Shanghai's skyline, things are eerily quiet: the helicopters and small planes that whirr over other cities in the world are hardly ever seen here, or anywhere across China, thanks to decades-old airspace restrictions and a dearth of airstrips and heliports.

China has fewer than 4000 helicopters and light aircraft, according to the US-based General Aviation Manufacturers Association — fewer than New Zealand, and a fraction of the 210,000 aircraft operating in the US.

But that is changing. China's leaders have decided to promote general aviation — air services spanning leisure and transportation, logistics and emergency services — to benefit the world's second-largest economy. The reforms promise a bonanza for aircraft makers, air base operators and infrastructure developers.

Orders are rolling in. Textron Aviation Inc's Bell Helicopter has this year scooped up two big China orders for 150 aircraft, potentially worth \$US350 million (\$440m) at list prices. Last year, Airbus Group Inc's helicopter division secured a 100-aircraft contract worth \$US790m, and agreed to set up a local assembly line in the northeast city of Qingdao. Textron's Cessna Aircraft, which set up a local production line for its Caravan utility aeroplane in 2013, has delivered its 100th aircraft in China.

Also last year, Leonardo, the helicopter unit of Italy's Finmeccanica, sold 55 aircraft worth roughly \$US350m at list prices to help local operator Shanghai Kingwing General Aviation establish what it said would be China's largest airborne emergency medical service.

The trigger for change came last year when the State Council, China's top policymaking body, published a blueprint signalling the transformation of general aviation into a \$US150 billion industry by 2020.

It said China would liberalise airspace below 3000m, buy thousands of aircraft and build 500 new general-aviation airports within four years (the country has 300 today). That sounded ambitious enough, but when a local newspaper recently counted the airport projects already under way it found 934 of them.

The recent spate of aircraft orders suggest growth is accelerating. China's helicopter fleet nearly doubled to 907 aircraft between 2013 and 2016, according to Asian Sky Group, an aviation research company.

At China's first privately run heliport on the outskirts of Nanjing, trainee pilots — mostly young men and women dreaming of a career in the aviation industry — were being schooled on a bright blue US-built Robinson Helicopter R-44 Raven II that sat primed for takeoff. Besides flying lessons, the facility offers transportation services, aerial tours of Nanjing and midair weddings.

The heliport, owned by Ruohang Group, hadn't turned a profit since opening eight years ago, but the new national focus on improving air services should soon change that, manager Zhang Weidong said. "We are at an important point: demand is increasing, we have policy support, investment funds and institutions have money to invest," he said. "There will be explosive growth."

Ruohang recently bought 29 aircraft from Robinson and Airbus to boost its 11-strong fleet, and to serve its three local heliports, plus a new facility in Tibet, Mr Wang said. Aspiring pilots and local companies seeking transportation services were fuelling demand, he said.

Ruohang is one of several operators, including Kingwing and Reignwood Aviation, that has emerged as one of Bell's largest regional customers investing in aircraft and infrastructure to capitalise on the regulatory changes.

General aviation added 1.2 per cent to US GDP, and China is seeking to tap that same source of growth, said Michael Shih, China head for Textron.

“We’re expecting substantial growth,” Mr Shih said. “It’s a whole chain of industries they’re trying to develop from zero.”

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