

China Has High Hopes For New Airbus, Boeing Competitor

Jeremiah Marquez, AP Business Writer

HONG KONG (AP) — China showcased its newest and biggest commercial plane Tuesday — a jetliner with as many as 200 seats that could boost the country's fledgling aviation industry to compete with Western rivals like Boeing Co. and Airbus.

The narrow-body, single-aisle C919 plane is scheduled to take its maiden voyage in 2014 before being delivered to buyers in 2016, according to Wang Wenbin, an official with the plane's manufacturer, state-backed Commercial Aircraft Corp. of China.

Work on the prototype began last week, he said. A car-sized mockup of the jet was on display Tuesday at an Asian air show in Hong Kong.

The project is a major first step by China toward developing homegrown commercial planes, along with the research and technology capabilities, for its fast-growing domestic market rather than relying on foreign companies. It would also pave the way for international expansion.

Because China's nascent commercial aerospace industry still lacks expertise, the C919 initially will be outfitted with engines and other parts from foreign companies.

"The civil aviation industry is just starting to boom," said Wang, COMAC's assistant general manager. "Although we have ... experience on civil aircraft manufacturing, we still have a long way to go in comparison with those aviation industry superpowers such as the U.S.A."

The C919 is designed for short- to medium-range hauls up to 5,555 kilometers (3,450 miles), and can seat as many as 200 depending on the configuration. According to state media, the first 9 in the jet's name was chosen because it suggests eternity in Chinese culture, with the 19 referring to 190 seats the plane might accommodate. C stands for COMAC.

Chinese aviation executives make no secret about their global ambitions.

"C919 comes after Airbus and Boeing, so you will have ABC in the aviation industry," the plane's chief designer Wu Guanghui told state media earlier this year.

The plane's suppliers have yet to be announced, though officials said they were in talks with four engine manufacturers, including General Electric, and a decision would be made later this year.

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Among the key selling points that would help China take on Boeing and Airbus — whose 737 and A320, respectively, dominate this segment of the market — are efficiency and costs, according to Chen Jin, COMAC's sales and marketing chief.

Compared to similar jets made by the two global aviation giants, the C919 would be cheaper for airlines to operate and use between 12 percent and 15 percent less fuel, Chen said in an interview with The Associated Press.

But the day when China is poaching orders from Western companies in their own markets is still far off. Marketing of the C919 will be directed at the mainland at first, likely local carriers such as Air China and China Eastern, before going global.

"It depends on the market," Chen said. "The market is changing all the time."

To succeed, China won't be able to count simply on state-owned airlines buying local, said Andrew Herdman, director general of the Association of Asia Pacific Airlines.

Whether it makes sense commercially— how the jet stacks up against Western planes on operating costs, resale value, maintenance track records and other standards — will be the final test. And in that respect, matching more-established manufactures will be very tough in the early going, not least because of the uncertainties surrounding a new product.

"It's about the bottome line," Herdman said. "That was the challenge for Airbus and others and that's no different for China."

"It's obviously very ambitious," Herdman said. "But we welcome competition and we certainly welcome innovation."

Also in development by Shanghai-based COMAC is a 70 to 110-seat ARJ-21 passenger jet, designed for the local market.

Last year, General Electric Commercial Aviation Services signed a deal to order 25 of ARJ-21s. GE is supplying the engines for the project.

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AP researcher Bonnie Cao contributed to this report from Beijing.

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