

China's home-grown jet challenges Boeing, Airbus



China's home-grown passenger plane was only a model at the country's premier airshow, but a growing number of orders show Beijing's drive to challenge the dominance of Boeing and Airbus.

State-backed Commercial Aircraft Corporation of China (COMAC) said it won 50 orders for the planned 168-seat C919 plane at the Zhuhai airshow, which ended on Sunday, bringing the total to 380.

China's rapid economic growth is creating massive demand for planes as growing incomes boost air travel, with US aviation giant Boeing estimating the country will need 5260 commercial jets over the next 20 years.

But China wants a piece of that multi-billion dollar market as it tries to develop its own technology and then look overseas for sales.

The plane is a symbol of national pride which would compete with Boeing's 737 and the A320 of European consortium Airbus, but catching up might take at least a decade, industry officials and analysts said.

The challenges are formidable: China not only needs to get the plane in the air -- targeted for 2014 -- but ramp up production and build a market by convincing buyers of its safety and reliability, they said.

"The goal of the Chinese is to be in a few years at the same level as different parties around the world -- of course Airbus and Boeing," said David Lopez Grange, general director of Spanish aeronautics firm Aritex.

"Maybe it's not a long time -- 10 years. China will be a very important player in the world in a few years," he said.

Aritex, a top-tier supplier for Airbus, has just won a contract to assemble the central wing box -- which secures the wing in the body -- of China's C919.

Although COMAC says the plane will have "Chinese characteristics", it is relying on foreign technology for key parts of the project, including the engines, to be supplied by French-American venture CFM International.

"The project provides a chance for China to obtain certain technology through cooperation with foreign countries, so as to advance its own aviation manufacturing," an aviation analyst at a Chinese securities firm said.

"The aircraft may have a share of the market, but it may take years before it can compete against the two foreign producers (Boeing and Airbus)," the analyst, who declined to be named, told AFP.

China's aviation dreams date back to the 1970s, when leader Mao Zedong's wife Jiang Qing backed a project to build China's own plane. Only three Y-10s were ever built and their heavy weight made them impractical.

As COMAC develops the C919, it is also building a smaller regional jet which seats 78 to 90 passengers, but that project is years behind schedule.

The ARJ21 regional jet made a test flight in 2008 but the deadline to deliver planes to customers a year after has fallen by the wayside.

COMAC, which took over the project from its shareholder Aviation Industry Corporation of China (AVIC), said earlier this month that it would assemble 50 regional jets annually by 2014. It has four prototypes now.

The company is targeting annual production of 150 of the larger C919 planes by 2020.

"Increasing orders show that both domestic and foreign consumers have given the C919 their endorsement," COMAC general manager He Dongfeng told state media.

But some potential buyers are waiting, including Chinese budget carrier Spring Airlines, which is a devoted customer of the Airbus A320.

"If the plane's performance is mature and the market welcomes it, then we can consider buying it," Spring spokesman Zhang Wuan said.

The latest orders were booked by two Chinese carriers: Joy Air, partly owned by AVIC which is backing the project, and two-year old Hebei Airlines.

A foreign company, aircraft leaser GE Capital Aviation Services, also ordered 10, Chinese media reported. Another unit of GE in the aviation sector has said it will supply engines and avionics to the plane through ventures.

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