



# Airport Opportunities

## Taking Off in China

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airlines and municipal and provincial planning bodies. Chinese volunteers from Concordia University's International Aviation MBA Program also attended to provide support as interpreters.

The seminar was designed to show the Chinese how airports can make money — Canadian companies in attendance had much the same objective. With more than 40 new airport-related projects planned for China over the next five to ten years, China is a lucrative market for Canadian airport-related consulting, engineering and construction services, as well as equipment and information technology.

Seminar sponsor Bombardier Aerospace, which signed a \$170-million contract for the sale of five CRJ200 aircraft to Shandong Airlines last November, conducted tours of its Canadair Regional Jet production facilities.

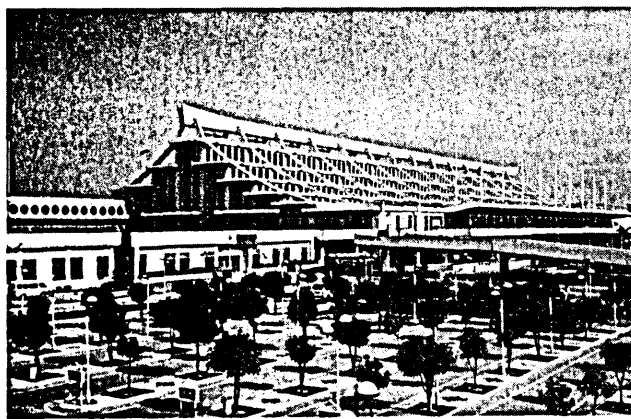
Other Canadian sponsors, such as SNC Lavalin and Aviation Strategies International, chaired discussion groups on topics ranging from air cargo development and customer service enhancement to airport project financing and other topics.

### Decentralizing leads to opportunities

The seminar was timed to coincide with the ongoing decentralization of control over Chinese regional air-

ports. The Civil Aviation Administration of China is gradually transferring authority to local governments. However, some of them have expressed impatience with the pace of the transition.

Airport authorities in Dalian, for example, must wait until they assume complete control of their airport before they will be able to secure the required financing for development. The story is much the same for other



*Chinese passengers have consistently chosen Xiamen Airport terminal, designed by Toronto firm B+H Architects International Inc., as one of the country's best.*

regional airports in China, although a number of airport construction projects have already been completed over the last few years.

Some Chinese delegates expressed a desire to attract new business such as cargo distribution and an increase in the number of transiting passengers, even if it means competing with regional airports in neighbouring provinces.

A representative from the Province of Shandong said that there were many airport-related business opportunities in China. For example, at some of the northern airports, fog can cause flight delays of up to two days in winter, but food and accommodation services for stranded passengers are in short supply.

### An industry set to soar

The aviation industry in China is forecast to grow at an annual rate of 15 per cent until 2010, by which time its air traffic volume will be the fourth largest in the world. According to Chinese government sources, traffic increased from 30 million passengers in 1990 to more than 100 million in 1995, representing an average annual growth rate of more than 25 per cent.

Air freight movement is still relatively small but is growing at rates exceeding those of passenger travel. With such increases, the need for improved infrastructure is acute.

That is why the Civil Aviation Administration of China has changed gears in recent years. Rather than focusing on increasing the number of airplanes in service, the emphasis is now on improving infrastructure and training capabilities. The need for better training for pilots and maintenance personnel will provide joint venture opportunities for Canadian firms in the near future. In addition, a number of airport expansion plans require the updating of civil aviation monitoring and control systems.

For more information on airport-related opportunities in China or for a list of projects under way or anticipated, contact Jordan Reeves, China and Mongolia Division, DFAIT, tel.: (613) 996-7256, fax: (613) 943-1068, e-mail: [jordan.reeves@dfait-maeci.gc.ca](mailto:jordan.reeves@dfait-maeci.gc.ca) ✪