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'Remember me'**Singapore Airshow 2008**

Published February 18, 2008

## Asia soaring high

By **VEN SREENIVASAN**

THE latest industry forecast by European plane maker Airbus, released last week, provides an interesting backdrop to one of Asia's biggest aerospace trade events - the 2008 Singapore Airshow - which will be formally opened tomorrow morning by Prime Minister Lee Hsien Loong.

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**The big event in South-east Asian aviation this year has been the partial opening of the lucrative - but highly protected - shuttle route between Singapore and Kuala Lumpur from Feb 1.**

translates to average annual deliveries of 1,215 aircraft, up from previous 1,130 in Airbus's last estimate.

The European plane maker also sees passenger traffic growing an average of 4.9 per cent per year, while the average fuel burn of the world fleet is expected to be three litres per 100 passenger kilometres.

Meanwhile, Boeing's estimates are even more optimistic. The American aerospace giant sees the global fleet growing from 18,230 planes now to 36,420 by 2026. It expects 10,400 aircraft in Asia-Pacific fleets and 11,950 in North America.

Boeing expects passenger planes to

More than 30,000 trade visitors and hundreds of exhibitors and journalists from around the world are in town for the event, which has taken two years of grinding work - starting February 2006 - to put together. They will be there to see more than 60 of the latest civilian and military aircraft types on display, highlighting leading-edge aviation technology from around the world at Asia's largest-ever aerospace trade event.

If Airbus and American rival Boeing's bullish outlooks are anything to go by, many of these visitors will see brisk business during the week ahead.

Airbus foresees demand for 24,300 new passenger and freighter aircraft, valued at US\$2.8 trillion, between now and 2026. This

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account for the bulk of the global fleet in 2026, at 32,400. And its breakdown of this works out to 21,830 single-aisle passenger jets, 6,880 twin-aisle and 4,180 regional jets.

Meanwhile, Brazilian plane maker Embraer projects global demand for 7,500 jets in the 30 to 120-set category over the next 20 years. The company estimates that 3,050 aircraft will be delivered between 2007 and 2016, with the remaining 4,450 units to be delivered between 2017 and 2026. The total market value is estimated at US\$220 billion.

All of this suggests that the market remains buoyant in the foreseeable future, and some of these deals could be unveiled in Singapore this week.

The two biggest plane makers have had a habit of reporting deals during various major airshows around the world.

Boeing, for example, is already reportedly preparing to unveil orders at the Singapore Airshow for about 100 aircraft worth up to US\$8 billion from carriers in Indonesia, India, China, Malaysia and elsewhere in the region.

The Sydney-based Centre for Asia-Pacific Aviation reckons a key Boeing single-aisle passenger jet customer at the Singapore Airshow could be Indonesia's Lion Air, which is expected to order more B737-900ERs to add to its current 122 planes. Meanwhile, national carrier Garuda is said to be planning to order 10 B777-200ERs, adding to its existing order for 10 B787s and 50 B737-800s.

Other airlines in the market for planes at the moment include India's Paramount Airlines, and Malaysia Airlines which is looking to replace its ageing fleet of B737-400s. Middle Eastern players like Etihad will also be aggressively courted by plane makers, as will the region's low-cost carriers, which are looking to add to their already significant orders as they try to keep up with air travel demand growth in East Asia.

The thirst for travel and the demand for air connectivity is also forcing open the skies across Asia.

The big event in Southeast Asian aviation this year has been the partial opening of the lucrative - but highly protected - shuttle route between Singapore and Kuala Lumpur from Feb 1. More of such liberalisation can be expected this year, as the dateline for the Asean open skies approaches.

Needless to say, this will fuel more demand for aviation infrastructure and aircraft orders.

This week at the first airshow of 2008, Airbus will be looking to sell more of its A350XWBs, while Boeing will be pushing its already successful B787s. Meanwhile, regional jet makers like Embraer, Bombardier and others will be eyeing the growing demand for fuel efficient regional and private/executive jets in Asia.

On display will be Bombardier's Learjet 60, Challenger 605 and Global Express XRS; the Cessna C680 and Citation CJ3; the Dassault Falcon 900EX; the Eclipse 500; the Embraer Legacy 600; Gulfstream 150, 200, 450 and 550; and the Hawker 4000 and 900XP. Turboprop business

aircraft appearing include the Hawker B200GT King Air and the Piaggio Aero Industries P180 Avanti II.

Defence contractors will also be busy this week, displaying the latest hardware and software. For example, Boeing's displays will include the F-15C and F/A-18 E/F Super Hornet fighter jets and the Harpoon, SLAM-ER and JDAM weapons systems. Other hardware on display include Lockheed Martin F-35 JSF and several unmanned air vehicles (UAVs): BAE Systems Herti; Elbit Hermes 450, 450B and 900 and the Northrop Grumman Fire Scout and Global Hawk.

All in all, this should be an exciting week for the more than 800 participating companies from 42 countries, who include global leaders in the commercial, military, general aviation and space sectors.

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