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Brisk business likely at S'pore Airshow

Leading planemakers and industry specialists upbeat about demand for aircraft

By VEN SREENIVASAN

(SINGAPORE) More than 30,000 trade visitors and over 800 aerospace companies from 42 countries will gather this week in Singapore for Asia's largest airshow.

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The 2008 Singapore Airshow, which takes over where the biennial Asian Aerospace left off two years ago, is also expected to attract more than 50,000 public visitors who will get to see over 60 latest civilian and military aircraft on display from Feb 19 to 24 at a 30-hectare site at Changi Aviation Park Road.

Fringe events started last night when Minister Mentor Lee Kuan Yew engaged global aviation sector leaders in a dialogue at the Raffles City Convention Centre. The following days will see other conferences and meetings covering every aspect of aviation, aerospace and defence.

The world's first global airshow comes amid continuing upbeat projections by leading planemakers and industry specialists.

European planemaker Airbus foresees demand for 24,300 new passenger and freighter planes, valued at US\$2.8 trillion, between now and 2026. Its American rival Boeing is projecting the global aircraft fleet growing from 18,230 planes now to 36,420 by 2026.

And Brazilian jet maker Embraer projects global demand for 7,500 jets in the 30- to 120-seat category over the next 20 years, with a market value of some US\$220 billion.

Much of the demand will come from Asia and the Middle East. So all signs point to some brisk business and major announcements this week.

The Singapore Airshow epitomises the Republic's ambition to be Asia's leading aerospace and aviation hub.

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Since 1990, the Singapore aerospace industry has grown over 13 per cent annually.

According to the Association of Aerospace Industries (Singapore), or AAIS, the Republic's maintenance, repair and overhaul (MRO) sector currently employs some 18,000 people and has a revenue of some US\$4.5 billion - about 11 per cent of the global output of some US\$41 billion.

The Economic Development Board (EDB) last year announced that new investments in MRO and manufacturing made in 2006 would contribute \$256 million in value added per annum to Singapore's gross domestic product (GDP) and create some 2,000 jobs.

Since then, more investments have poured in (EDB will be providing the latest numbers at its briefing tomorrow).

One of the biggest investments last year was British power systems giant Rolls-Royce's plans to invest some \$320 million in a new facility here to assemble and test the Trent 1000 engines for the Boeing 787 and the Trent XWB engines for the Airbus A350 XWB.

The Singapore facility - to be located on an eight-hectare site at the new 300-ha Seletar Aerospace Park - will be Rolls- Royce's only engine-making facility outside of its existing UK facility in Derby.

Goodrich, ST Aerospace, Messier Services Asia, Embraer, GE Aviation and others have increased their presence here as well.

Sia Kheng Yok, EDB's director for transport engineering, describes Singapore as the biggest and most sophisticated aerospace hub east of the Suez.

'There are more than 100 international companies carrying out MRO in Singapore,' he said. 'We possess nose-to-tail capabilities that include airframe maintenance, engine overhaul, component repair, structural and avionics systems repair, as well as aircraft modifications and conversion. These core competencies, coupled with our commitment to quality and safety, have made Singapore a recognised one-stop solution provider for airlines' maintenance and repair needs. Besides MRO, Singapore is also home to leading aerospace design and manufacturing OEMs and suppliers.

But there are challenges.

And a key factor, according to AAIS president Charles Chong, is skilled manpower.

'In recent years, we have noticed that many airlines around the world have not put in the training programmes commensurate with their fleet growth,' he noted. 'This is particularly so in fast-growing markets like the Middle East, India, Indonesia and China. What this suggests to us is they could start poaching skills and talent from elsewhere.'

And with its abundant talent pool, Singapore is a target.

Mr Chong said the problem is all the more serious given that not enough young people are coming into the industry, and are instead being lured to

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the excitement of the financial and corporate sectors.

Nevertheless, he acknowledged that successful efforts have been made to incentivise young people to sign-up for the numerous aviation-related courses at Singapore's tertiary institutions.

Another concern is the rising cost of land.

But this issue should be addressed by the development of the Seletar Aviation Park, which will free up some 300-ha of land for the industry.

Meanwhile, Singapore is determinedly moving up the aerospace value chain, with its MRO players offering more services beyond basic airframe maintenance to higher yield integrated MRO solutions like engine and component repair and overhaul.

The EDB, together with other agencies, is also boosting R&D partnerships with the world's leading players, while enhancing Singapore's logistics/distribution capabilities.

So this week's gathering of all the industry's great and good is a key effort in Singapore's ambition to remain at the forefront of Asian aviation and aerospace technology.

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