Giaime Porcu of Thales Reports from the China Air Show

**Installment #1:**

The China Air show is in full swing in Zhuhai and whether you are at the show or back in the office its always good to have the most up to date information and a few interesting tidbits as well.

As the show opens today Thales has made two interesting announcements: 1) Our navigation suite has been equipped on Lion Air’s new A320s and 2) Our TopFlight SATCOM will be flying on Air China’s new Boeing aircraft.

We will shortly be announcing something extremely interesting in the field of helicopter avionics in China so stay tuned.

The Chinese helicopter market growth projections of over 20%, coupled with the CAACs relaxing of the regulations in low altitude flying are making the market one of the most dynamic in the world.

With our position as Number One Worldwide in Helicopter avionics we could not be at the sidelines.

I will be keeping you up to date on developments as the day progress.

**Installment #2:**

Why is China important? Its easy to use words like powerhouse but what do we actually mean? It is best to put things in context.

Here are some facts:

- Following a period of flux in 2013 the Chinese economy stabilised and achieve healthy growth levels is 2014 with GDP growth of 7.5%, by comparison most western economies are struggling to achieve a 3% growth.
- The official IATA 2013-17 forecast indicates a global pax increase of 31%. China will account for the single largest geographic portion of that growth, 24% of new passengers
- In May 2013 Mr Li Jiaxiang, head of the Civil Aviation Administration of China (CAAC) stated that China is expected to have 4,200 commercial aircraft in 2020, compared with the current fleet size of 2,001 with 46 airlines
- In terms of new business, by 2025 China is expected to receive over One Third of all new aircraft produced by the major OEMs.

This is why a player like Thales puts so much emphasis on China.
You will have seen the announcement on the MOU just signed at the Air Show China with SAVIC. This is only the latest partnership Thales has signed in the country.

Indeed Thales’ involvement in China spans over 3 decades, and in that time we have grown to almost 1,000 people in the country, 95% of which are Chinese nationals.

Because Thales is the strongest inflight entertainment player in China with over 70% market share, in 2012 we formed a partnership with CETC Avionics to produce IFE on COMAC aircraft, and have been active through our JV BEST to produce ATM in the country which now controls 60% of China’s air traffic movements.

We are also very active locally on repair and maintenance with one of our largest repair stations located at Beijing International Airport, which services all clients in China with repair and maintenance.

When we talk about China we come at it from experience.