

Pacific Aerospace signs \$37m Chinese deal

ANDREA FOX Last updated 05:00 15/08/2012

Hamilton planemaker Pacific Aerospace has broken into the monster emerging China general aviation market, selling 15 aircraft in a deal worth about \$37 million.

The airport-based company a year ago had to lay off 27 people because of falling sales due to the economic downturn, and though chief executive Damian Camp said it was too early to know if the Chinese deal could see hiring start again, the potential sales numbers around the China market "look quite silly".

The Chinese Government had cited general aviation - all aviation other than commercial, military and passenger - as a key growth sector, Camp said.

"No-one really knows how big the market could be other than it will be really big.

"There's a lot of infrastructure issues to work out yet because general aviation does not exist in China currently."

Pacific Aerospace's first customer in China is Xi'an Yanliang National Aviation High-Tech Industrial Base (CAIB).

CAIB will be its partner and exclusive sales representative for sales of Pacific Aerospace's P-750s XSTOL aircraft in China, which the Hamilton company promotes as the world's best short takeoff and landing single-engine plane.

The deal is for Pacific Aerospace to supply 15 of the aircraft over the next three years.

The process of getting the aircraft certified in China is under way, and Camp is hopeful the first five aircraft can be delivered after Christmas. There were no plans to shift manufacturing from Hamilton.

Camp said CAIB approached Pacific Aerospace after China started "putting feelers out" for help in creating a general aviation sector.

In China it was "all about choosing the right partner" and it was encouraging that CAIB had been prepared to invest in the P-750s, he said.

"It's a very good first step for us into what could be a significant market.

"It's a good step towards growth."

Pacific Aerospace, which still employs more than 100 people, has been designing and manufacturing rugged, high performance utility aircraft for 60 years.

The P-750 XSTOL is its flagship product.

It is operating in demanding global aviation environments including Nepal, Indonesia, Papua New Guinea and Africa.

It takes just 220 metres to take off carrying a load of 1905 kilograms, which is more than its empty weight of 1497kg.

The aircraft is being used for freight, passenger, aerial survey and surveillance, medical evacuation, agriculture and skydiving operations in 16 countries. Its long-range wing gives it a 2183km range which is ideal for China, Camp said.

Shaanxi province-based CAIB was established eight years ago by the national state council, the first national-level aviation base.

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