



# SURVEY REPORT

‘To sustain the growth and development of the  
Hong Kong aviation supply chain in the emerging  
Low-Cost Carrier (LCC) market’

**Organiser**  
主辦機構



**Implementation Agent**  
執行機構



**Funding Organisation**  
資助機構

「中小企業發展支援基金」撥款資助  
Funded by SME Development Fund



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## **Project Overview**

Low-Cost Carriers (LCC) that offers affordable fares is highly developed in North America and growing rapidly in Asia Pacific. In recent years, the market share of LCC has increased more than 10% over the world and 20% in Asia. The growing popularity of LCC has led many full-service airlines to launch subsidiaries offering flight options with limited services. The emergence of low-cost carriers should not only further increase the demand for aircraft, but also component supplies and peripheral services to support the operation. Hong Kong part and service suppliers should grab the opportunity to tap into the supply chain of this emerging LCC market.

| Hong Kong Aviation Industry (Services and Manufacturing)                            |   |   |
|---|---|---|
|    |    |    |
| <b>Airlines</b>   | <b>Business Aviation</b>  | <b>Equipment Distributors</b>   |
|  |  |  |
| <b>Ground Support &amp; Equipment Services</b>                                      | <b>Training, Research &amp; Consultancy</b>   | <b>Maintenance, Repair &amp; Overhaul (MRO)</b>                                       |
|  |  |  |
| <b>Materials &amp; Manufacturing</b>  | <b>Air Cargo Services</b>   | <b>Related Supporting Services</b>  |

In this connection, Hong Kong Aviation Industry Association (HKAIA) has applied funding from the SME Development Fund of the Trade and Industry Department, HKSAR Government to organize a project named 'To sustain the growth and development of the Hong Kong aviation supply chain in the emerging Low-Cost Carrier (LCC) market' to promote the capabilities of Hong Kong part and service suppliers as well as the products and service they are offering to the LCC market through setting up Hong Kong pavilions at aviation trade shows. The promotion campaign has promoted

the capabilities of the Hong Kong Companies to LCC in China, Asia Pacific and North America. A comprehensive LCC Seminar was conducted to introduce business opportunities emerged from LCC and their purchase criteria, which are entirely different from their full-service counterparts.

| Event  | Date         | Location      | Activity                                  |
|--|--------------|---------------|---|
| <b>Aviation Festival Asia</b>  | 23-24/2/2016 | Singapore     | Match making event and Hong Kong Pavilion |
| <b>Aviation Festival Americas</b>                                      | 24-25/5/2016 | Miami, USA    | Match making event and Hong Kong Pavilion |
| <b>Seminar: Exploring New Opportunities in Low Cost Carrier Market</b> | 24/6/2016    | Hong Kong     | 1-day seminar                             |
| <b>Airshow China 2016</b>  | 1-6/11/2016  | Zhuhai, China | Match making event and Hong Kong Pavilion |

### Networking Events (Hong Kong Pavilion)

Companies from Hong Kong Aviation Industry were formed as 'Hong Kong Pavilion' to promote their products and services to the LCC market at three aviation trade shows in Singapore, USA and China.

#### **Trade show: Aviation Festival Asia 2016**

**Location: Singapore**

**Date: 23-24/2/2016**

The first World Low Cost Airlines Congress Asia (Aviation Festival Asia) was launched in 2004 with the aim to create a platform where the industry could meet and form partnerships. With 13 years of history, this event becomes one of the highlighted LCC airshows in Asia.



*Group photo in Aviation Festival Asia 2016*

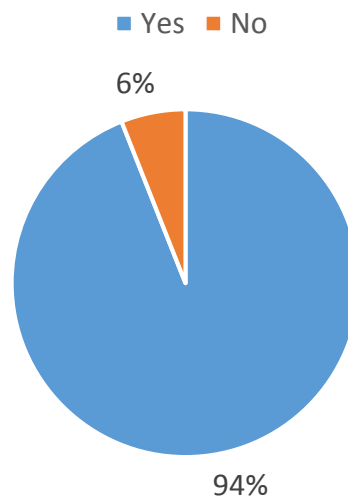
In 2016, the exhibition attracted different LCC airlines such as Scoot Pte Ltd, Spring Airlines, Tigerair, Jetstar Asia, Peach Aviation, Air Asia, Citilink and Hong Kong Express Airways. There were more than 1,400 attendees from over 50 countries. Over 130 speakers from full-service airlines, low-cost carriers, airports, solution providers and adjacent industry sectors across the world offered their insights across 16 panel discussions, 24 roundtable discussions, 69 presentations and 18 on-floor seminars.

- Category of participant:
- Airlines (especially LCC airlines)
  - Aircraft & Engine Manufacturers
  - MRO & OEM Companies
  - Ground Support & Equipment Services
  - Related Supporting Services



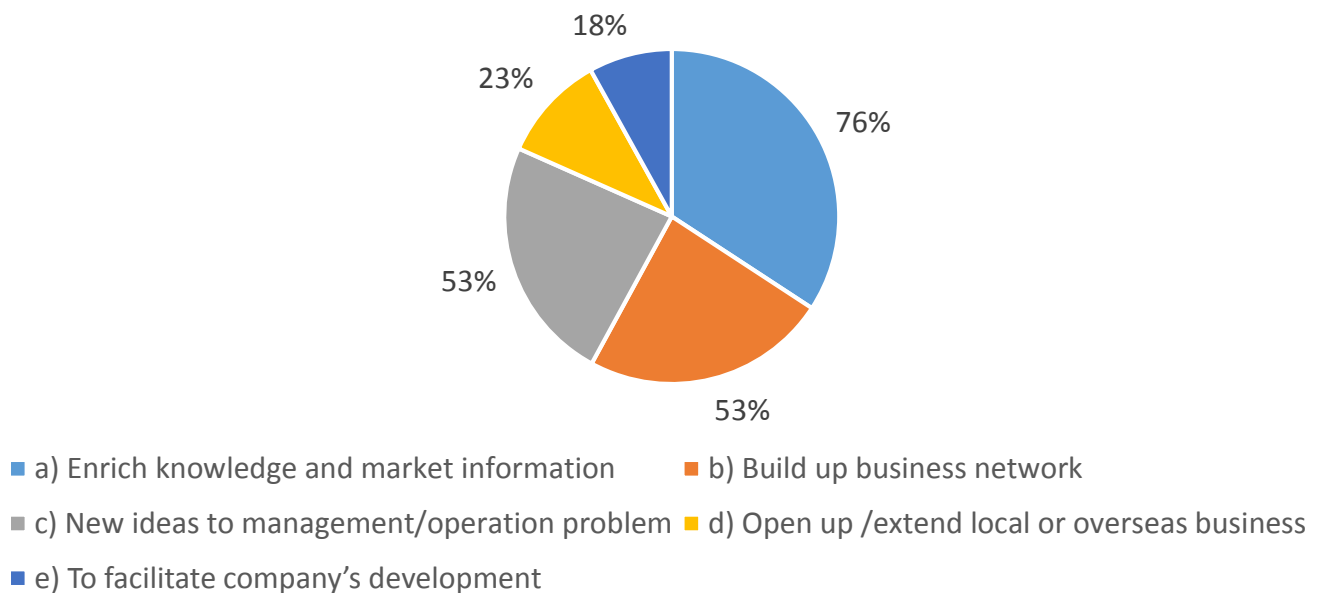
### **Feedback from participants (Hong Kong Pavilion)**

Do you think participating the "Hong Kong Pavilion" is useful to your business?



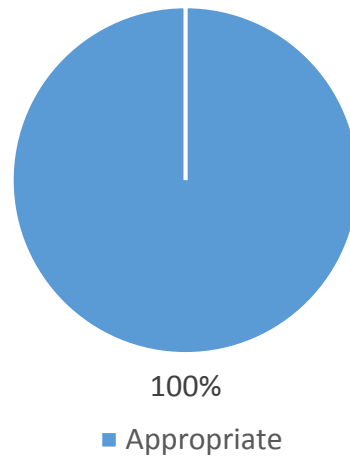
Almost 100% of participants think that participating the "Hong Kong Pavilion" is useful to their business.

How useful to your business?



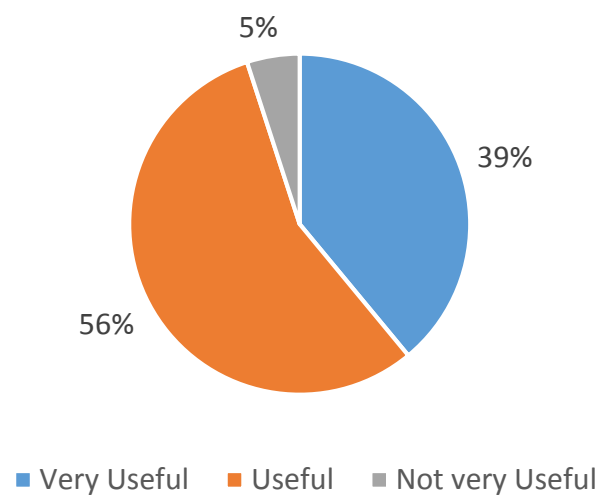
76% of participants think that participating the "Hong Kong Pavilion" can enrich knowledge and market information, 53% think that it can help them build up business network and bring new ideas to management/operation problem.

Do you think the duration (time) of the "Hong Kong Pavilion" is appropriate?



100% of participants think that the duration of the "Hong Kong Pavilion" is appropriate.

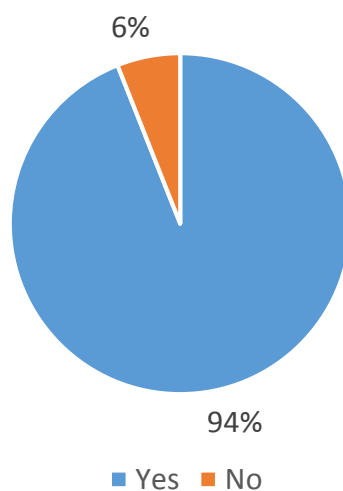
For long term consideration, do you think joining the "Hong Kong Pavilion" can enhance company's competitiveness?



39% of participants find it very useful and 56% find it useful for enhancing company's competitiveness.



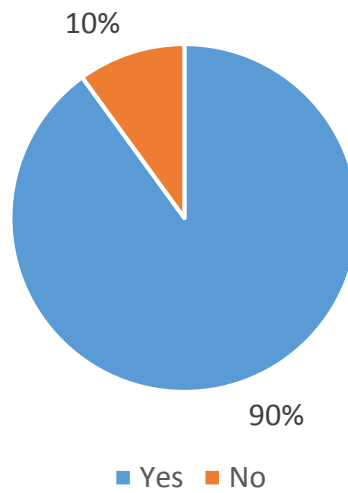
Will you participate again if HKAIA organize similar nature of the "Hong Kong Pavilion" in the future?



Almost 100% of participants express that they will participate again if HKAIA organize similar nature of the "Hong Kong Pavilion" in the future.

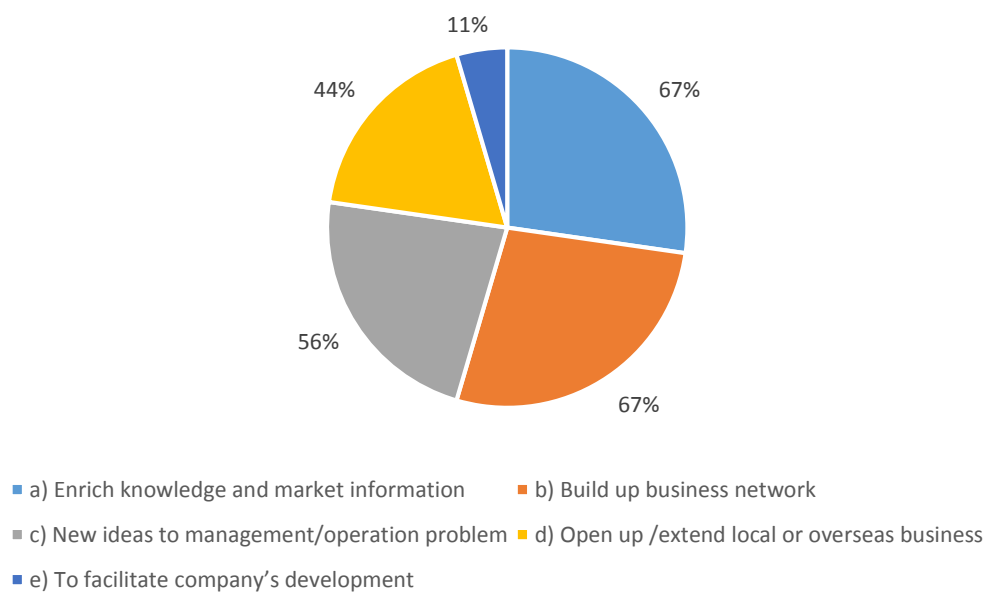
### **Feedback from participants (Match making event)**

Do you think the event is useful to your business?



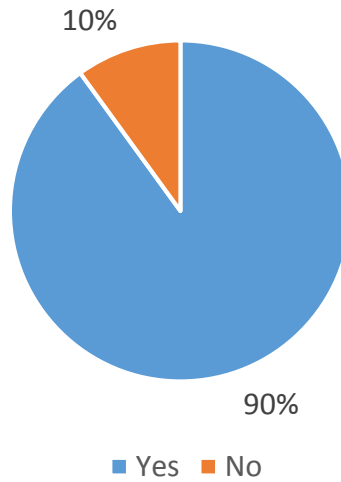
90% of participants think that the event is useful to their business.

How useful to your business?



67% of participants think that participating the event can help them build up business network and enrich knowledge and market information.

Will you participate again if HKAIA organize similar nature of match making event in the future?



90% of participants express that they will participate again if HKAIA organize similar nature of match making event in the future.

**Hear what they say...**

*“Excellent networking platform and able to get the latest market information through participating the Hong Kong Pavilion and meeting with Airlines’ management. We received 20-30 enquiries at the Hong Kong Pavilion and 2-3 follow up enquiries, we expected to have more cooperation in the future. HKPC was well prepared for the match making event.”*

*Sun Ah Electric Factory Limited*

*“High visitor flow rate and received around 30 enquiries at the Hong Kong Pavilion. HKPC provided complementary support to the participants.”*

*Huhtamaki Hong Kong Limited*

**Trade show: Aviation Festival Americas 2016**

**Location: Miami, USA**

**Date: 24-25/5/2016**



The concept of low cost carrier started from United States in 1970s, United States has become the market leader and grown as a maturity stage. The Aviation Interiors Show Americas (Aviation Festival Americas) is the premier exhibition for the international aircraft and airport interiors industry. It aims to create a terrace for attendees to meet real buyers and business partner. In 2016, the airshow attracted different airlines to participate such as Virgin America, Southwest Airlines, Spirit Airlines, United Airlines, Frontier Airlines, Canada Jetlines and Porter Airlines. There were 54 different carriers and made up 50% of the total audience. Top managements from the leading LCC airlines including Southwest Airlines, Spirit Airlines and Virgin America delivered keynote presentation last year about trends, opportunities and challenges facing in the low cost airlines industry.

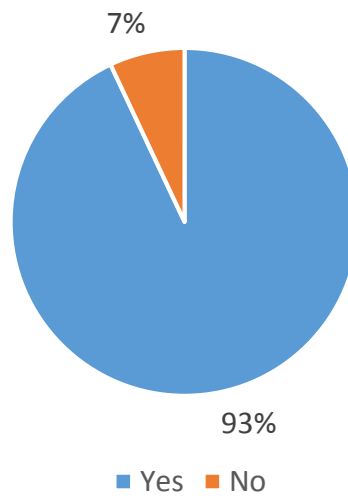
- Category of participant:
- Airlines (especially LCC airlines)
  - Aircraft & Engine Manufacturers
  - MRO & OEM Companies
  - Ground Support & Equipment Services
  - Related Supporting Services

LCC airlines:



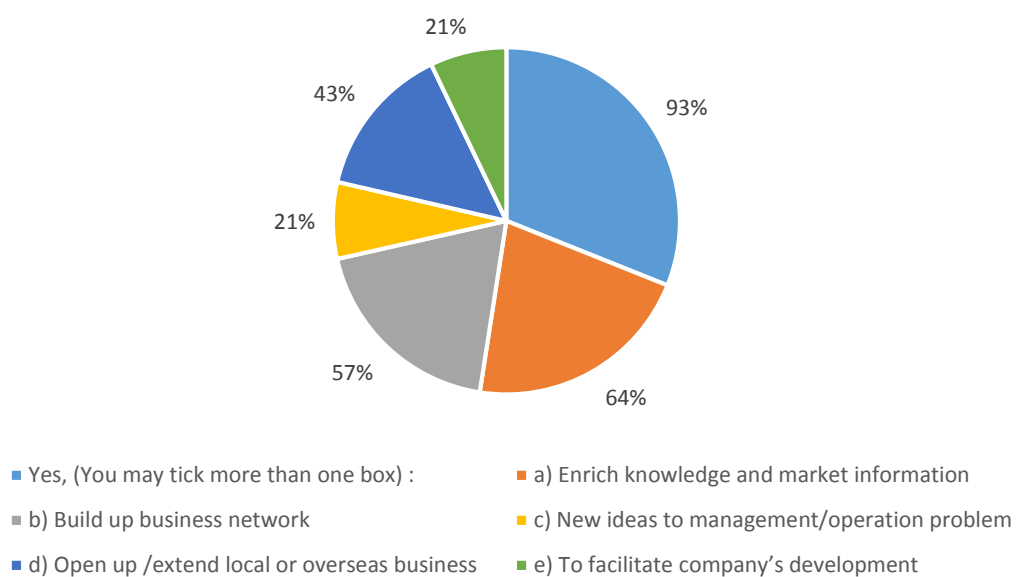
### Feedback from participants (Hong Kong Pavilion)

Do you think participating the "Hong Kong Pavilion" is useful to your business?



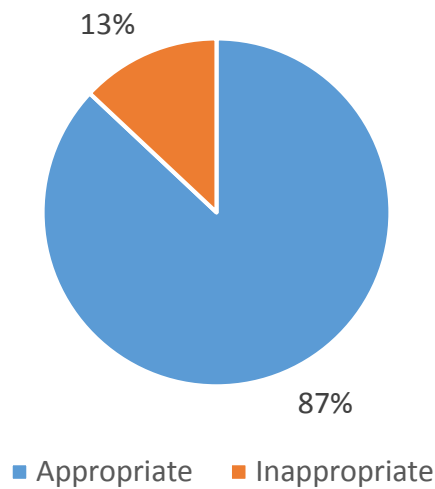
Almost 100% of participants think that participating the "Hong Kong Pavilion" is useful to their business.

How useful to your business?



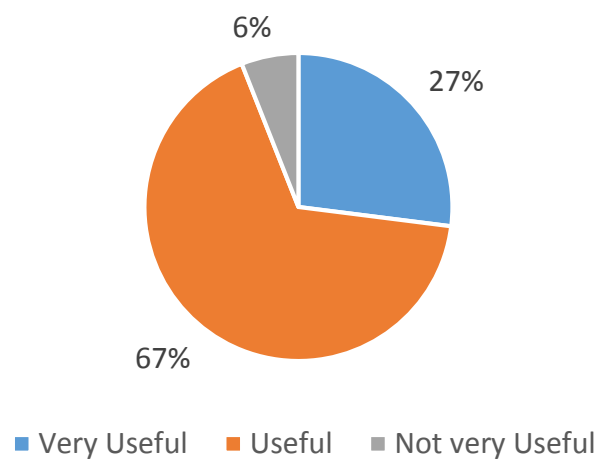
64% of participants think that participating the event can enrich knowledge and market information, 57% think that it can help them build up business network.

Do you think the duration (time) of the "Hong Kong Pavilion" is appropriate?



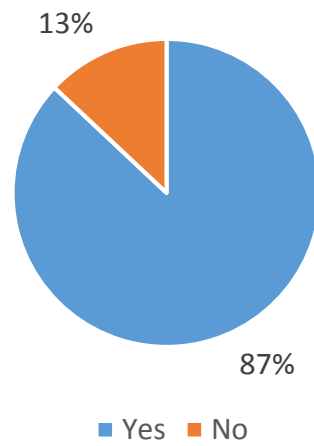
87% of participants think that the duration of the "Hong Kong Pavilion" is appropriate.

For long term consideration, do you think joining the "Hong Kong Pavilion" can enhance company's competitiveness?



27% of participants find it very useful and 67% find it useful for enhancing company's competitiveness.

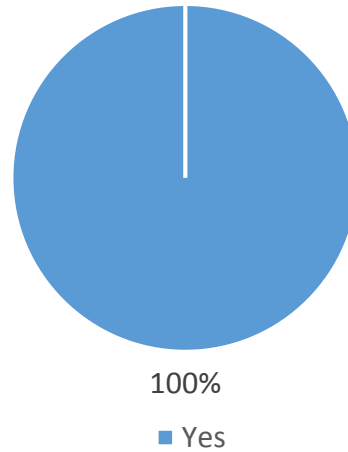
Will you participate again if HKAIA organize similar nature of the "Hong Kong Pavilion" in the future?



Over 80% of participants express that they will participate again if HKAIA organize similar nature of the "Hong Kong Pavilion" in the future.

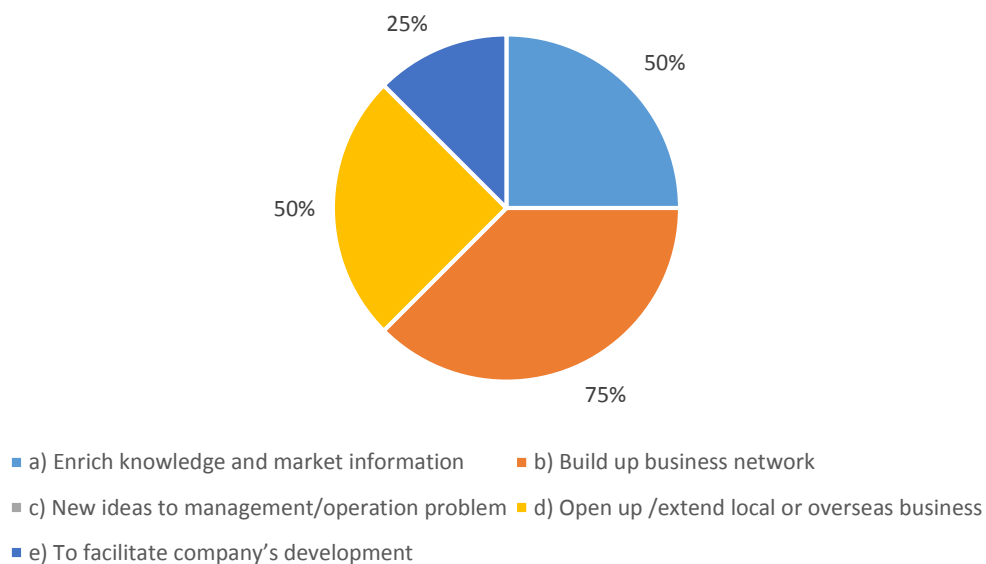
### **Feedback from participants (Match making event)**

Do you think the event is useful to your business?



100% of participants think that the event is useful to their business.

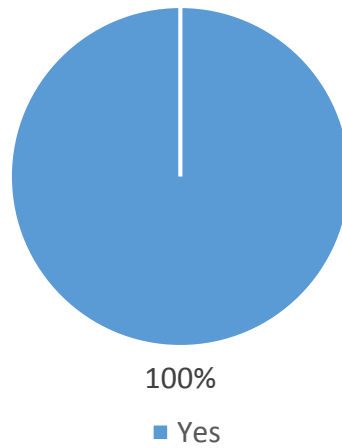
How useful to your business?



75% of participants think that participating the event can help them build up business network, 50% think that it can enrich knowledge and market information and open up / extend local or overseas business.



Will you participate again if HKAIA organize similar nature of match making event in the future?



100% of participants express that they will participate again if HKAIA organize similar nature of match making event in the future.

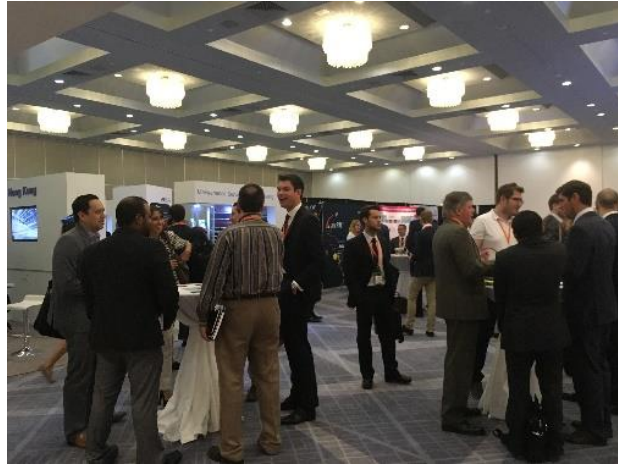
**Hear what they say...**

*“We got exposure as a Hong Kong company looking to expand business in America, not only in USA but also in South and Latin America as well. Topcast is relatively new to the market and the show provided the opportunity to meet a lot of new potential customers. The sales in USA has been growing after the trade show.”*

*Topcast Aviation Supplies Co., Ltd*

*“Business matching event was well organised, attendees were able to meet with representatives from different LCC airlines and exchange ideas. Spintec is new-to-market and participating the airshow is one of the effective ways to explore the market as USA is the leading country of LCC.”*

*Spintec Precision Manufactory Limited*



Match making event at Aviation Festival Americas



Booth design of Hong Kong Pavilion



Photos with some of the participants

**Trade show: Airshow China 2016**

**Location: Zhuhai, China**

**Date: 1-6/11/2016**



Airshow China is the only international aerospace trade show in China that is endorsed by the Chinese Central Government, the airshow has been successfully held in Zhuhai in every even-number year for 11 sessions. It is a critical gateway for international aviation and aerospace enterprises to present their latest technology and products in the fast-growing China market including the low cost carrier market. The airshow attracted more than 700 exhibitors and 300,000 visitors from 25 countries in 2016. The airshow attracted different LCC airlines to participate such as 9 Air, China United Airlines, Jiangxi Air, Urumqi Air, Spring Airlines and Ruili Airlines.

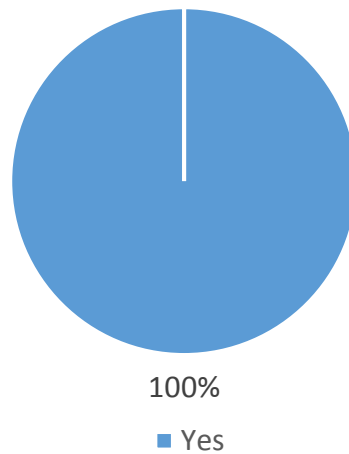
- Category of participant:
- Airlines (including LCC airlines)
  - Aircraft & Engine Manufacturers
  - MRO & OEM Companies
  - Ground Support & Equipment Services
  - Flight Training
  - General Aviation
  - Government/Trade Association
  - Media/Publication
  - Consulting/Research
  - Related Supporting Services

LCC Airlines:



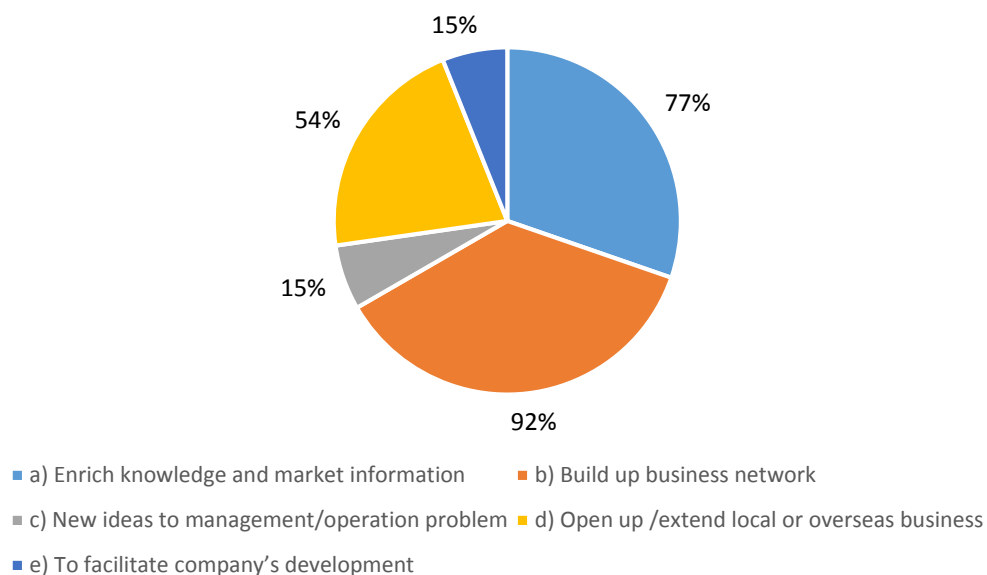
### Feedback from participant (Hong Kong Pavilion)

Do you think participating the "Hong Kong Pavilion" is useful to your business?



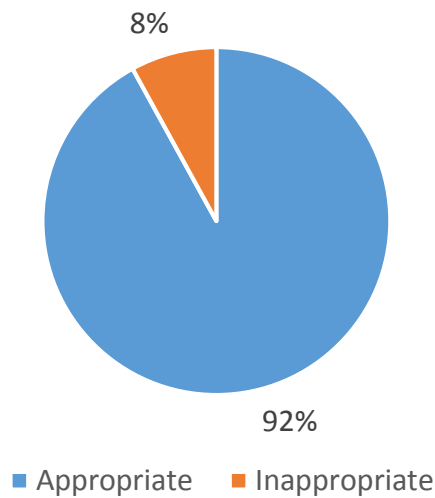
100% of participants think that participating the "Hong Kong Pavilion" is useful to their business.

How useful to your business?



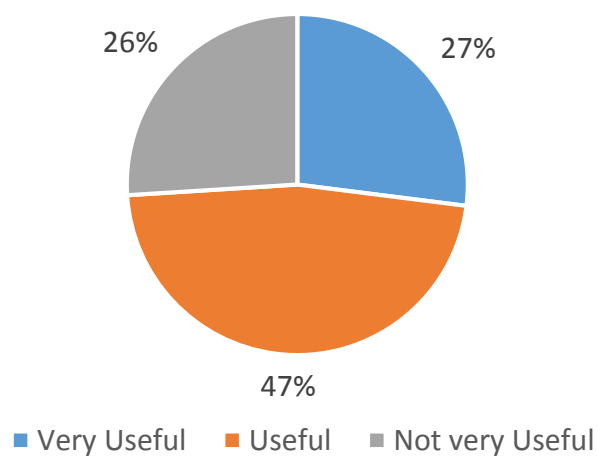
92% of participants think that participating the event can help them build up business network, 77% think that it can enrich knowledge and market information.

Do you think the duration (time) of the "Hong Kong Pavilion" is appropriate?



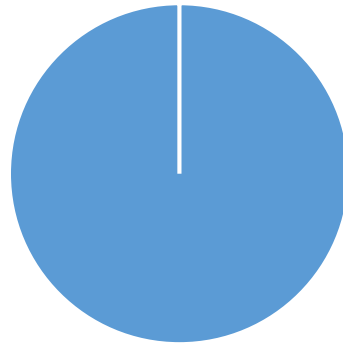
92% of participants think that the duration of the "Hong Kong Pavilion" is appropriate.

For long term consideration, do you think joining the "Hong Kong Pavilion" can enhance company's competitiveness?



27% of participants find it very useful and 47% find it useful for enhancing company's competitiveness.

Will you participate again if HKAIA organize similar nature of the "Hong Kong Pavilion" in the future?



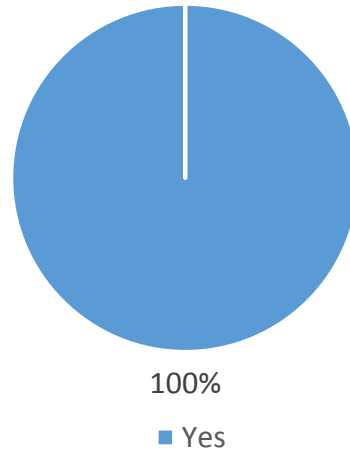
100%

■ Yes

100% of participants express that they will participate again if HKAIA organize similar nature of the "Hong Kong Pavilion" in the future.

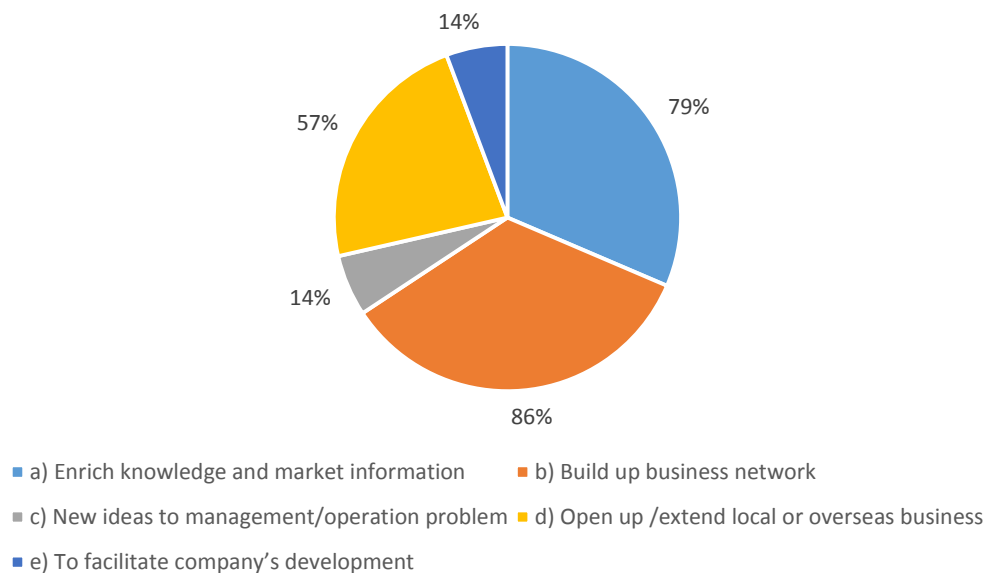
### **Feedback from participants (Match making event)**

Do you think the event is useful to your business?



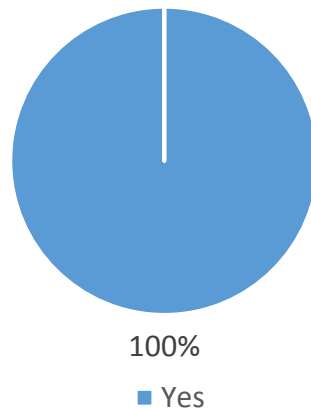
100% of participants think that the event is useful to their business.

How useful to your business?



86% of participants think that participating the event can help them build up business network, 79% think that it can enrich knowledge and market information.

Will you participate again if HKAIA organize similar nature of match making event in the future?



100% of participants express that they will participate again if HKAIA organize similar nature of match making event in the future.

**Hear what they say...**

*“Participants were able to reach potential business partners and exchange ideas with them which make the event a desirable networking platform. Promoting the Hong Kong Aviation Industry by forming the Hong Kong Pavilion and grouping companies together can effectively raise our profiles. We received 20-30 enquiries at the Hong Kong Pavilion and numbers of follow up email, ultimately 4 million of revenue are generated from this airshow in Zhuhai. HKPC was very supportive of the organising the match making event.”*

*Champion Aviation Dynamic Technology (China) Co. Ltd.*

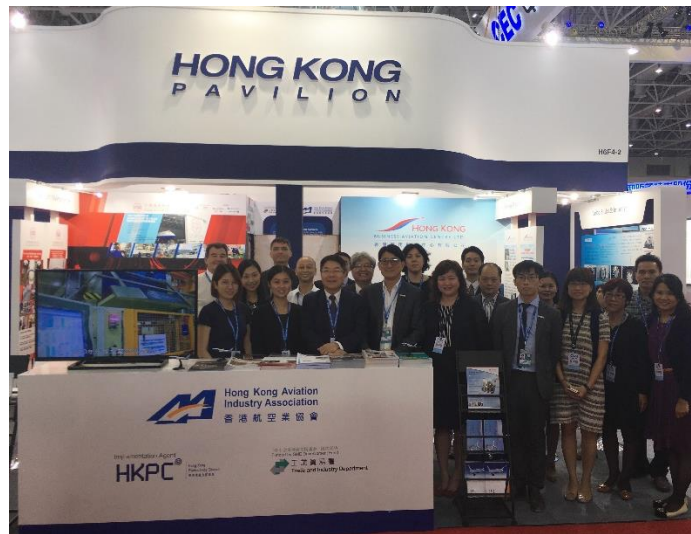
*“Able to meet existing, potential business partners and heads of state. Booth location was better than previous time. It was good to have a TV to introduce Hong Kong aviation industry to visitors and participants. Nice platform for business networking and we received around 20 enquiries at the Hong Kong Pavilion.”*

*China Aircraft Services Limited*

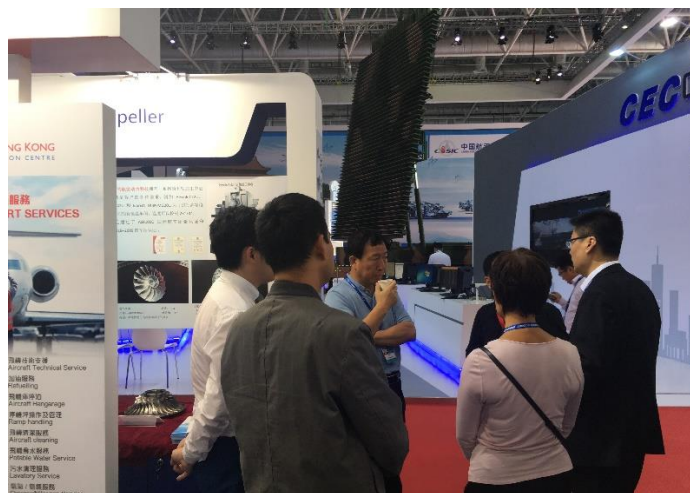


*“Excellent platform for reaching many potential business partner and exchanging information with industry professionals. We received around 20-30 enquiries at the Hong Kong Pavilion and had few follow up emails after meeting. We expected it may generate around HKD 2 million revenue this year.”*

*Sealtech.Com Aviation Seals Mfg. Limited*



*Group photo in Airshow China 2016*



*Match making event in Hong Kong Pavilion*

## **Seminar: Exploring New Opportunities in Low Cost Carrier Market**

**Location: Hong Kong**

**Date: 24/6/2016**

A 1-day comprehensive LCC Seminar “Exploring New Opportunities in Low Cost Carrier Market” was conducted to introduce business opportunities emerged from LCC and their purchase criteria, which are entirely different from their full-service counterparts.

- *Topic 1: “LCC Procurement Strategy & Quality and Safety for Cost Saving Solution & Experience Sharing”*
- *Topic 2: “Regulations for approval of PMA parts”*
- *Topic 3: “LCC Procurement Strategy & Quality and Safety for Cost Saving Solution & Experience Sharing”*
- *Topic 4: “Experience sharing for the First Hong Kong Parts Manufacturing Approval”*
- *Topic 5: “Advanced Materials & Manufacturing Technology”*

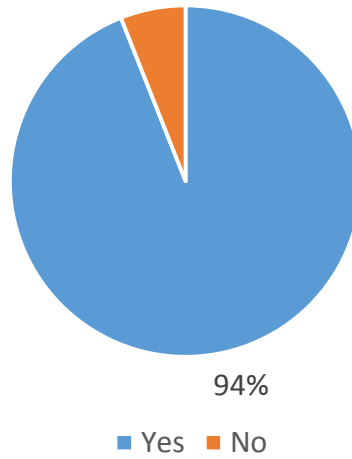
- Category of participant:
- Airlines (including LCC airlines), SMEs Parts
  - Manufacturers, Aircraft & Engine Manufacturers,
  - MRO & OEM Companies
  - Ground Support & Equipment Services
  - Flight Training
  - Government/Trade Association,
  - Consulting/Research, Related Supporting Services

Speakers from LCC airlines, manufacturer and Hong Kong Government:



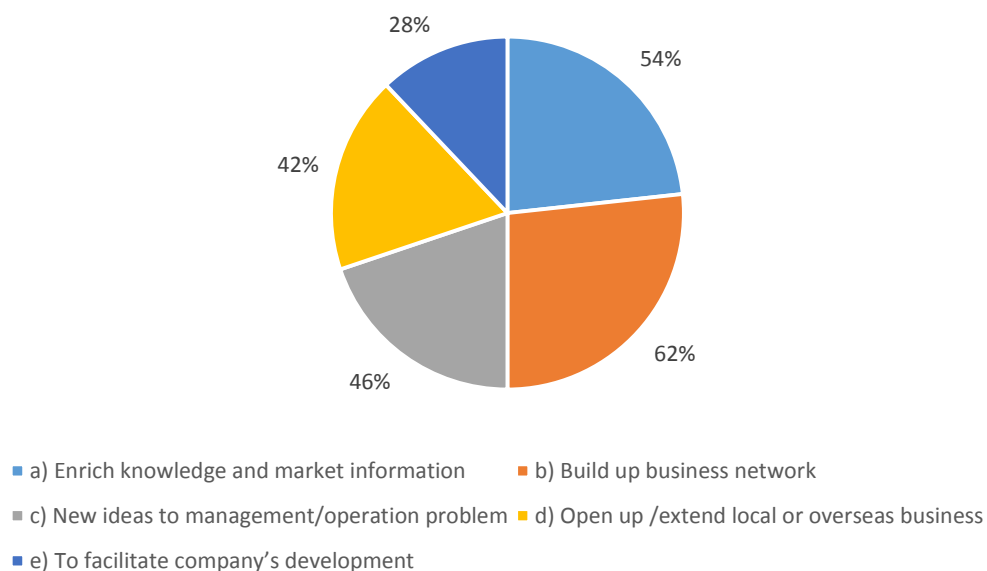
### **Feedback from participant (Seminar)**

Do you think the seminar is useful to your business ?



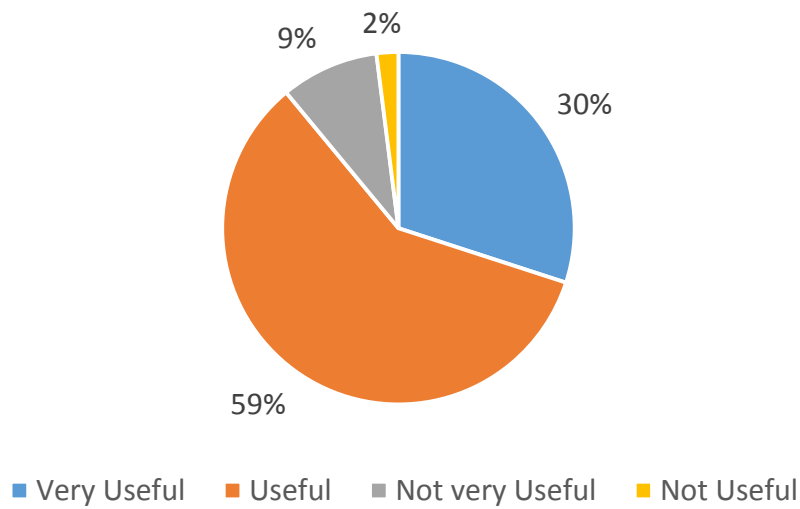
Almost 100% of participants think that the seminar is useful to their business.

How useful to your business?



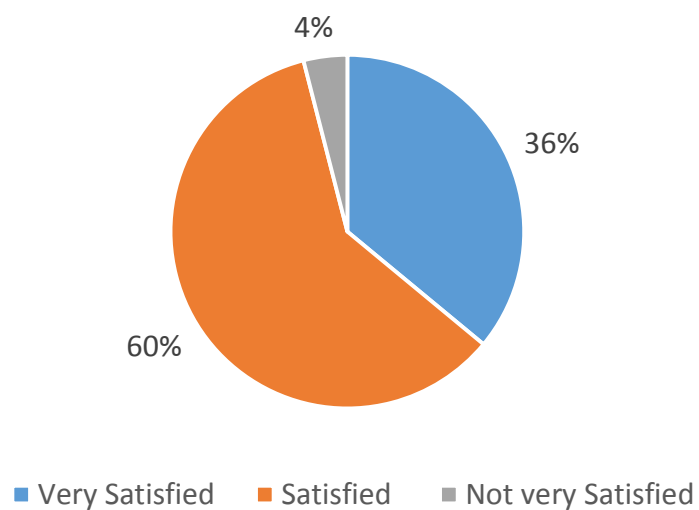
62% of participants think that participating the event can help them build up business network, 54% think that it can enrich knowledge and market information.

For long term consideration, do you think joining the exhibition can enhance company's competitiveness?



27% of participants find it very useful and 67% find it useful for enhancing company's competitiveness.

Satisfaction level of the seminar



Satisfaction level of the seminar is positive as 96% of participants felt satisfied.

**Hear what they say...**

*“Good sharing!”*

*“Smooth and clear outline, the topic of seminar was very interesting.”*

*“Very interesting topic and useful information.”*

*“Nice time control and interesting experience sharing.”*

*“Very useful information especially CAD’s sharing on the topic of ‘Regulations for approval of PMA parts’ .”*

*“Content was practical, hope will organize similar topic of seminar again in the future.”*



*Group photo with speakers*



*Speaker delivering presentation to audience*



*Speaker Mr. Kevin Kuo from Tigerair*



*Speaker Mr. Simon Wu from HK Express*

