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China to Win 'Hundreds' of C919 Jet Orders This Week (Update2)
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(Updates with certification schedule in eighth paragraph.)

By Bloomberg News

Nov. 15 (Bloomberg) -- Aviation Industry Corp. of China expects "hundreds" of orders for the nation's first single-aisle passenger jet at this week's Zhuhai air show, bolstering efforts to compete with Airbus SAS and Boeing Co.

Customers for the C919 will likely include domestic airlines and overseas leasing companies, Zhang Xinguo, vice president of state-controlled AVIC, said today at a press conference in Zhuhai, southern China. "During this air show, I believe hundreds" of orders will be announced, he said.

China's big three state-owned carriers have all said they will support government efforts to develop domestic planemakers, damping prospects for overseas suppliers in a market Boeing expects to be worth \$480 billion through 2029. General Electric Co.'s leasing arm ordered regional jets from AVIC-backed planemaker Commercial Aircraft Corp. of China at the 2008 show to boost its presence in the country.

"In the long term, definitely, Airbus and Boeing's market share will be diluted," said Julius Yeo, a Frost & Sullivan aerospace analyst. Government financing may help Comac sell planes at home and overseas, he said.

Chinese planes will likely be of a similar standard to Airbus and Boeing models because of the maturity of the local industry and technology transfers to suppliers making parts for overseas planes, he said. Comac may struggle to provide good aftermarket support, he said.

737, A320 Competition

The C919 competes with Boeing's 737 and Airbus's A320, the planemakers' most popular models. Airbus this month announced an order from China for 102 planes, including 50 A320s. China Southern Airlines Co., Air China Ltd. and China Eastern Airlines Corp., the nation's biggest carriers, were all part of the order. Boeing has this year won 737 orders from Air China, Okay Airways Co. and China Southern's Xiamen Airlines.

China may need 4,330 new planes through 2029, as rising incomes and economic growth boosts air travel, according to Chicago-based Boeing. Nationwide airline passenger numbers rose 18 percent from a year earlier in the first nine months to 200.7 million, according to the Civil Aviation Administration of China.

The C919 will likely win certification from local regulators in 2016, while the ARJ21 is scheduled to be approved in the fourth quarter of next year, Zhao Yuerang, Comac's director general, airworthiness management department, said at a separate event in the city today.

GE Order

GE's plane-leasing unit ordered as many as 25 70-seat ARJ21s at the Zhuhai show two years ago. The growth of China's air-travel market may also tempt overseas lessors to order the C919, which is due to make its maiden flight in 2014 and enter service in 2016, Zhang said.

"They might see the potential development in the Chinese aviation industry," he said. "They also would like to co-operate and get deeply involved with Chinese industries."

The ARJ21 will enter service in 2012, Zhang said. The plane was expected to begin commercial flights in 2009, Miao Wei, vice minister of industry and information, said two years ago.

"The schedule will be carefully planned, but when you get into the real, practical aspects, sometimes there are uncertainties," Zhang said.

The planemaker has sold 240 ARJ21s, Liu Lihua, head of the Ministry of Industry and Information said today at the show's opening ceremony in the southern city of Zhuhai.

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