

# Asian plane makers struggle to take off in crowded market

February 14 2020, by Martin Abbugao

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The Asia-Pacific region is the world's biggest aviation market for commercial aircraft

Asian plane makers have thrown huge sums at building jets but flagship projects have suffered repeated setbacks, and they face a tough time

breaking into a market dominated by established players.

The Asia-Pacific region is the world's biggest aviation market for [commercial aircraft](#) and Japanese and Chinese firms have embarked on programmes to build their own planes.

Asia's two biggest economies are home to myriad companies making hi-tech goods, from cars to smartphones, which in many cases have succeeded in rivalling Western firms.

But when it comes to building planes—which requires mammoth investment, years of painstaking development, and rigorous safety standards—progress has been slow.

The companies at the forefront of the Asian drive, Japan's Mitsubishi and Chinese state-owned manufacturer COMAC, have both seen their flagship projects delayed for years.

China "could be successful in 10-15 years but at this time, the odds are not really in their favour", Shukor Yusof, founder of Malaysia-based aviation consultancy Endau Analytics, told AFP.

"The international market is just too saturated with [aircraft](#) from the established manufacturers so there's very little space for new players."

Asia's biggest air show in Singapore this week was—as ever—dominated by European plane maker Airbus, US manufacturer Boeing and a handful of smaller, mostly Western manufacturers.

Chinese manufacturers had a good reason for not making much of an impression—they were forced to pull out because of a ban on travellers from China due to the coronavirus outbreak, which has killed around 1,400 people and infected tens of thousands.

## **'Very long race'**

Mitsubishi Aircraft Corporation was showing off a mock-up of the interior of its SpaceJet, the first version of which was originally due for commercial rollout in 2013.

After repeated delays, Japanese carrier All Nippon Airways had finally been due to receive the first of the SpaceJet M90 aircraft in the middle of this year.

But the model suffered its sixth delay this month, with the first delivery now expected next year at the earliest. The setbacks, due mainly to technical glitches, have raised the development cost for the plane to an estimated 800 billion yen (\$7.3 billion).

Steve Haro, vice president and head of global marketing and strategy at Mitsubishi Aircraft Corporation, said that more than 900 changes had made to the aircraft's original design.

But he added that a milestone had been reached as the latest version was ready to be certified by regulators.

"We're really at the place where we're crossing the finish line of a very long race," he told AFP.

The plane is for short, regional flights—such as between a major hub and smaller airports inside the same country—and its main rival are aircraft made by Brazil's Embraer, he said.

"We're not interested in competing with Boeing on the large airplanes, or Airbus. We see ourselves meeting a vital market segment that has really been ignored too long," added Haro.

Over 400 orders had already been received for the M90 from around the world, he said.

## **Missing the boom**

Meanwhile state-owned Commercial Aircraft Corporation of China (COMAC)'s flagship jet has been delayed at least five years and analysts believe it is likely to miss its 2021 schedule for the plane's first delivery to a customer.

The single-aisle C919 is designed to compete with the Boeing 737 and Airbus A320, the favoured workhorse of budget carriers. The manufacturer says there are 815 of the planes on order, largely from domestic carriers.

But it will face particular challenges in winning approval from US and European regulators to operate internationally, and gaining public acceptance outside its home market, said Shukor of Endau Analytics.

The manufacturers are missing out on a boom in air travel in the Asia-Pacific, where increasing affluence combined with cheaper flights mean the numbers of people flying regularly is soaring.

Demand for new aircraft is expected to exceed 39,000 over the next 20 years, with 42 percent of the deliveries to carriers in Asia, according to Airbus projections.

Still, delays are to be expected in the industry, said Janesh Janardhanan, aviation specialist with consultancy Frost & Sullivan.

"Aircraft are complex systems and some level of teething issues are common with new programmes," he told AFP.

He said there is still room for new players, as passenger numbers are forecast to grow strongly, but cautioned: "Barriers to entry are high."

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