

# HNA keeps the world's planes flying

Aircraft maintenance among the areas where Hainan-based conglomerate is spreading its wings

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**H**NA Group plans to establish more aircraft maintenance facilities in major global cities over the next five years.

The conglomerate owns Hainan Airlines, and is also involved in sectors including real estate, logistics and tourism. It is based in the southern island province of Hainan.

Other measures planned by the group include recruiting more foreign talent, infusing flight crew uniforms with more Chinese elements, equipping the C-919 aircraft with necessary cabin requirements, and tightening safety standards and employee training programs. The C-919 is China's first home-built large passenger plane.

The plans are intended to promote the group's aviation business globally in the long run.

Cao Fenggang, chairman of HNA Aviation Technic, which is responsible for the group's aircraft maintenance, aviation parts and spray services, said the company's overseas branches are in good health. HNA's

international air network is also growing, in order to compete with other established foreign players.

## Support services

Supported by more than 7,500 employees, HNA Aviation Technic currently provides aircraft support services at more than 200 service stations and operates 30 bases across the world.

"Where HNA's airplanes fly, we serve there," Cao said.

Besides in-house business from HNA, Technic is exploring further external market opportunities. Carriers such as Air China and China Eastern Airlines are among its clients for aircraft maintenance, parts and support.

Although it is an HNA subsidiary, Technic has already established its own systems to ensure its clients' safe operations with high efficiency.

In order to meet the demands of overseas operations, HNA Technic has set up international teams, Cao said.

For example, a team of more than 100 technicians specializes in aircraft on ground (known as AOG), an industry term which refers to an issue

that is serious enough to stop a plane from flying. HNA Technic's specialists work toward preventing any problem that could potentially prevent an aircraft from becoming airborne.

These experts have visas for almost 40 countries and can be sent to wherever the client needs within a short time, Cao said.

Pu Ming, vice-president of Hainan Airlines, said the company will start more direct flights between second-tier Chinese cities and top-tier foreign cities, as well as between first-tier Chinese cities and second-tier foreign cities, given the significant demand for international travel in China.

"As a corporate participant in the Belt and Road Initiative, we will focus on developing new air routes between China and Europe, the Middle East and Africa. We will introduce this year flights connecting Beijing with Belgrade via Prague, and Shenzhen with two Australian cities," said Pu.

The Belt and Road Initiative is a China-led plan to revive the historical trading routes along the old Silk Road.

Chinese tourists made 109 million outbound trips in 2016, up 11 percent year-on-year, accounting for 9.6 per-

cent of global tourists, data from the Beijing-based World Tourism Cities Federation show. They spent \$165 billion globally in 2016, up 28 percent year-on-year, and accounted for 11 percent of international tourism revenue.

"As we are seeing healthy customer demand from fast-growing developing markets for people-to-people exchanges, it is also equally important to develop markets in other BRICS countries, particularly Brazil, Russia and South Africa, and other new emerging markets participating in the Belt and Road Initiative," said Pu.

## Global crew

In addition to launching new routes and regularly increasing its fleet to boost revenue, Hainan Airlines is recruiting more crew members, in countries including Japan, the United Kingdom, France and Russia. The practice started in 2000. It currently has more than 4,700 flight attendants. More than 300 of them are from outside the Chinese mainland.

Pu said proactive risk management is key to safety management. Technic has developed a self-reporting safety

management system, which is non-punishing and encourages staff to report loopholes and procedure risks.

At present, the system has collected more than 4,000 reports on safety risks from frontline employees, a deep source of data for risk management.

According to statistics from Boeing, in the fourth quarter of 2016, Hainan Airlines' 787 fleet achieved 99.62 percent reliability, topping the ranks for this category of aircraft.

Li Xiaojin, a professor at the Civil Aviation University of China, said: "Even though Hainan Airlines is a latecomer to the global market, pursuing a differential competitive strategy is necessary for the company because other carriers have already scooped up many market resources."

HNA Group netted over 600 billion yuan (\$90 billion) in revenue and provided 410,000 jobs across the globe in 2016.

Its international tourism industry chain has also grown quickly.

In August, HNA Group completed the acquisition of a 16.2 percent stake in Swiss airport retailer Dufry from Singaporean sovereign wealth funds GIC and Temasek Holdings.



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