



# Safran and China, long-standing partners

Established in China for nearly 40 years, the Safran Group has built solid foundations for an exemplary relationship with this country. During Safran Discovery Days, an annual forum for nearly 1,000 newly hired or promoted managers at all Group companies, His Excellency Kong Quan, the Chinese ambassador to France, spoke about the development of the aerospace and security markets in China and their importance in his country's growth. He kindly agreed to speak with Safran Magazine at this event.

**Safran Magazine:** What medium and long-term changes do you expect in French-Chinese economic relations?

**Kong Quan:** We are expecting positive and encouraging trends. Economic and commercial relations between the two countries have developed rapidly in recent years, and we continue to expand our scope of collaboration. Remember that just three years ago, when Prime Minister Wen Jiabao made his last visit to France, the aim was to reach forty billion dollars in commercial trade within five years. Well, we will meet that goal two years ahead of schedule.

Major French corporations are rolling out their latest technologies in China, especially in markets such as air and rail transport, nuclear energy and the environment. China will

always need to work with France in these sectors. I am extremely optimistic when I see the very fruitful industrial partnership taking shape between China and French companies, as for example with Safran operations in Beijing, Suzhou, Guiyang and Chengdu.

**In what sense is air transport an important challenge for your country's economy?**

**K. Q.:** The problem is at both the domestic and international level. Because of the growth of income and enhanced life styles in China, planes have taken over for trains

**“In China, planes have taken over for trains and buses”** His Excellency Kong Quan

Interview with His Excellency Kong Quan, China's Ambassador to France

BIO

1977

PRESS OFFICER AT THE CHINESE EMBASSY IN BELGIUM

1996

MINISTERIAL ADVISOR TO CHINA'S AMBASSADOR TO FRANCE

2001

DIRECTOR GENERAL OF INFORMATION, MINISTRY OF FOREIGN AFFAIRS

2006

ASSISTANT MINISTER OF FOREIGN AFFAIRS

2008

CHINA'S AMBASSADOR TO FRANCE

and intercity buses. Last year, half of domestic air travel was for personal reasons, and one-fourth of these passengers took more than ten trips during the year, 4.4 percent higher than in 2006. Chinese airlines carried 190 million passengers in 2007, up 16 percent, and four million tons of freight, up 15 percent. There were 1,134 commercial aircraft in service, 136 more than in 2006. China now has 152 airports, five more than in 2006. In short, the Chinese air transport sector is booming!

According to projections by Boeing, China will need 3,710 new airplanes in the next twenty years. This market is worth about 390 billion dollars, or 41 percent of total demand from the Asia-Pacific. Ten percent of these new planes will be jet freighters, which will quadruple our fleet. Among the new passenger planes, 70 percent will be single-aisle models used on domestic routes. Of course, even though China continues to import aircraft, it is also beginning to manufacture them (see large photo). The Commercial Aircraft Corporation of China, based in Shanghai, will play a pivotal role in this market. I am sure that Safran will make an extensive contribution to this development, due in particular to its local presence.

**SAFRAN PRODUCTS AND FACILITIES**

The Safran Group enjoys a broad presence in China, through sales of its products, industrial facilities and training programs. China is the leading civil market for the companies in the Safran Group. For example, some 1,600 CFM56 turboprops produced by Snecma (in partnership with General Electric) power Chinese jetliners, while half of the country's helicopters use Turbomeca turbine engines. Landing gear by Messier-Dowty and wheels and brakes by Messier-Bugatti are used on one-third of the Chinese mainline commercial jet fleet. Safran has also carved out a position in several defense-security market segments, including identification systems, lottery terminals and biometric terminals.

**Four new facilities in 2008**

The Group's first local operation in China dates back to the 1970s, when Turbomeca sold Turmo III engines for the Super Frelon helicopters purchased by China. Since then, Safran has built other facilities in the country.

For example, committed to remaining a benchmark partner to Chinese industry, Safran opened four new plants in 2008. Snecma built a new plant in Suzhou to produce low-pressure turbine shafts for CFM56-5B and -7B engines. Right near this facility, the Group also built a plant for the production of landing gear parts. Safran inaugurated two other facilities last year with Chinese partners: one dedicated to cast parts for CFM56 engines, the other for the assembly and testing of hydromechanical assemblies for helicopter engines. Safran employs over 600 people in China, through two offices, three joint ventures and three subsidiaries. It also conducts an active training policy, for instance through the CFM International training center created ten years ago in Guanghan.

With the Commercial Aircraft Corporation of China starting the development of a new 150-seat jetliner, Safran, as a top-tier engine and equipment supplier, is clearly confirming its commitment to help Chinese industry meet upcoming challenges.

**In its relations with China, Safran has always emphasized collaboration and training assistance: what do you think of this positioning, including for the future?**

**K. Q.:** In aviation – or other sectors for that matter – a major country such as China has to have its own industry. From this standpoint, we greatly appreciate the long-term international collaboration policy that Safran has always applied. Aviation is becoming increasingly global, and that means each partner has to make its own contribution to the whole.

Training is also a way of investing in the future. Young people who have been trained abroad will form close, even permanent bonds with the country where they were trained.



The ACAC ARJ-21, the first regional jet built in China (70 to 90 seats), made its first flight on November 28, 2008.

Not only will they continue to support friendship and collaboration between the two countries, but they will also – and above all – dedicate their talent and commitment to fostering creativity and innovation. This is a combination that guarantees a win-win relationship. Safran sets an outstanding example in China, and deserves to be supported and encouraged.

**What are China's current environmental objectives and expectations, and what does that imply for the aviation sector?**

**K. Q.:** China is facing major environmental challenges. Climate change is already a serious threat to our ecological system, as well as our economic and social development. Nobody today is more aware of environmental challenges than China. Both our political leaders and the public have become aware of the need to

better protect our environment, so that future generations inherit a cleaner world. Independently of the results of international negotiations and commitments by industrialized nations, China has set up its own measures for environmental protection and the reduction of carbon dioxide emissions. From 1996 to 2005, energy efficiency per GDP unit increased by 47 percent. Our aim is for a 20 percent decrease in energy consumption per GDP unit between 2005 and 2010.

In 2007 and 2008, the Chinese federal government financed 681 energy savings projects, representing the equivalent of 25 million metric tons of coal. Local governments financed projects that will generate savings of 60 million metric tons of coal. Today, renewable energies account for 8.3 percent of the energy used in China. This percentage should rise to 10 percent by 2010 and 15 percent by 2020.

While the emphasis in the past was primarily on increasing GDP, today we are focusing on sustainable development, to protect our environment and place people at the heart of these challenges.

Aviation uses a lot of energy and emits large amounts of carbon dioxide. As for the auto industry, we have to create engines that reduce consumption and emissions. There have already been quite a few technological advances in this area, particularly by Safran.

It's true that China is a bit late in this regard. But because of this position, we can transition directly to the latest international environmental standards. For example, in China's major cities, as in Europe, cars must comply with the Euro 4 standard, and the same policy should apply to aircraft. This is both a challenge and an opportunity for engine-makers. If we are able to rise to this challenge, prospects for growth could be enormous. ■



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