

**SME Development Fund/
Dedicated Fund on Branding, Upgrading and Domestic Sales
(Organisation Support Programme)**

Final Report of Approved Project

Project ref. no. : D13 001 010
Project title : To reinforce the status of the Hong Kong Aviation Industry as a
“Regional Aviation Service Hub” through promoting and
enhancing the capability of SMEs in the Aviation Industry
Period covered : From 01/09/2013 to 28/02/2015
(dd/mm/yy) (dd/mm/yy)

1. Project Details

(Please mark with "*" if any of the following project details is different from that in the project proposal appended to the project agreement.)

Project Reference and Title

To reinforce the status of the Hong Kong Aviation Industry as a "Regional Aviation Service Hub" through promoting and enhancing the capability of SMEs in the Aviation Industry

Project Summary (in not more than 150 words)

Today's aviation landscape requires aviation companies to stay ahead in the highly competitive global environment. Especially with Singapore having overtaken Hong Kong as the regional aviation service hub gradually, the Hong Kong aviation industry has an urge to recapture the position.

Meanwhile, the soaring demand for flights in Mainland China has also led to the foreign investment and expansion of the MRO, component manufacturing and service industries. Hong Kong manufacturers and service providers should capture the golden opportunity in this emerging market.

A Promotion Campaign and an Enhancement Programme will be carried out within this project. The promotion campaign will promote Hong Kong as an aviation service hub of choice and help local SMEs expand market access. On the other hand, a series of enhancement training programme will equip SMEs with the market information and industry knowledge for strengthening their competitiveness of doing business in the aviation industry.

Project Objective(s) (in not more than 80 words)

- To promote Hong Kong aviation industry as a "Regional Aviation Service Hub" in the global aviation market, particularly the Asia market.
- To enhance capabilities of Hong Kong manufacturing and service companies in order to support the local MRO industry.
- To assist Hong Kong SMEs to increase their access to new markets and business opportunities in the aviation industry.
- To assist Hong Kong SMEs to develop their business in the China growing aviation industry.
- To equip SMEs with the market information and industry knowledge for strengthening their competitiveness of doing business in the aviation industry.
- To build up and promote a good image of the aviation industry to attract youth to join the industry.

Grantee /Collaborating/Implementation Organisation Agent

Grantee : Hong Kong Aviation Industry Association Limited

Collaborating Organisation(s) : Society of Plastics Engineers - Hong Kong Section

Hong Kong Plastic Machinery Association (HKPMA)

Hong Kong Auto Parts Industry Association (HKAPIA)

Hong Kong Critical Components Manufacturers Association

Hong Kong Metal Finishing Society

Implementation Agent(s) : Hong Kong Productivity Council

Key Personnel

	<u>Name</u>	<u>Company/Organisation</u>	<u>Tel No. & Fax No.</u>
Project Co-ordinator :	Angus CHEUNG	Hong Kong Aviation Industry Association	T: 2788 5589 F: 2788 6169
Deputy Project Co-ordinator :	K K LEE	Hong Kong Productivity Council	T: 2788 5678 F: 2788 5900

Project Period

	<u>Commencement Date</u> (day/month/year)	<u>Completion Date</u> (day/month/year)	<u>Project Duration</u> (No. of months)
As stated in project agreement	01/09/2013	28/02/2015	18 months
Revised (if applicable)	N.A.	N.A.	N.A.

Methodology Employed

With the aim to reinforce the status of the Hong Kong aviation industry as a “Regional Aviation Service Hub”, a Promotion Campaign and an Enhancement Programme will be carried out within this project.

Project Development

We firstly identified different sectors and industry players in the Hong Kong aviation industry. After that, we lined up various companies from different sectors to form the Hong Kong Pavilion, match making participating group and video production group. Meanwhile, we carried out research on the updates and best practices of the aviation industry in order to develop the enhancement training programme.

Project Preparation

We set up the theme of “Hong Kong Pavilion” at two trade shows in Mainland China and Singapore and drafted the content of the promotional video to introduce the Hong Kong aviation industry. A special committee was set up to supervise the selection of companies for participating in the exhibition and video shooting in fair & transparent manner. Open recruitment was conducted through different industrial associations and HKAIA website.

We established an online form to collect information from a list of companies ranging from airlines, MRO, ground support, component manufacturing to other related services for compiling the directory;

Also, we identified the topics of the seminars of the enhancement training programme.

Project Implementation

We designed and produced a set of promotional materials including the industry directory and promotional brochures. We produced a video programme to introduced and promoted capabilities of different sectors of the Hong Kong aviation industry.

We set up the exhibition area of “Hong Kong pavilion” at Singapore Airshow and China Airshow. We invited delegates from different aviation related organizations to the Pavilion and the match making events. We published an article to share the experience from the Airshow with the industry.

To arrange a series of enhancement training seminars, we identified and invited speakers to deliver the presentations. After that, we created promotional pamphlets to recruit participants.

2. Summary of Project Results

Project Deliverables

(Please list out the targeted project deliverables as stated in the project proposal appended to the project agreement and provide details of actual result achieved, including beneficiaries, for each of them.)

Promotion Campaign

- **Promotional Video**

A video programme (~10 mins) introducing the present and future development of the Hong Kong Aviation Industry was produced. This video introduces and promotes capabilities of different sectors, from airlines, MRO, ground support, component manufacturing to other related services, in the supply chain of the Hong Kong Aviation Industry. The video was uploaded to HKAIA website for sharing with the public, broadcast during the trade shows, played at the HKAIA and aviation related events and stored in USB storage devices for distributing to the event participants to promote the capabilities of the Hong Kong Aviation Industry.

- **“Hong Kong Pavilion” and Match Making Event at Aviation Trade shows**

Hong Kong companies in the supply chain from manufacturing to service sectors were grouped under a “Hong Kong Pavilion” (48sqm) to participate in two aviation trade shows including *Singapore Airshow* on 11-16 February 2015 and *China International Aviation & Aerospace Exhibition (China Airshow)* on 11-16 November 2015. This pavilion demonstrated the capabilities of different sectors in the supply chain of the Hong Kong Aviation Industry to the global industry players. Also, it provided an environment to network, connect buyers and suppliers, form partnerships and bring the Hong Kong aviation industry forward.

There were three main components at each trade show:

- *An exhibition area* – to provide multiple companies a common platform to display products and service offerings of the Hong Kong manufacturing and servicing companies.
- *B to B meetings* – to expand business network and identify new cooperation opportunities.
- *Promotional video broadcast* – to further introduce the capabilities and services of the Hong Kong companies in the aviation industry.

Aircraft manufacturers, airlines, MROs, component manufacturers, servicing companies, trading companies and other related organisations were invited to the Pavilion and the match making events.

- **Directory, Interactive Online Platform and Promotional Brochure**

Directory (1,000 copies, 85 pages each) containing information of companies from different sectors (including MROs, airlines, manufacturers, servicing companies, trading companies, consultants, training institutes and associations) in the Hong Kong aviation industry was compiled. An electronic version was mounted on the HKAIA website.

Interactive online platform has been established in the HKAIA website. The platform includes interactive elements such as company search engine and service enquiry box; aiming to enhance business connection between Hong Kong SMEs and the aviation industry.

- Promotional brochures (1,500 copies) were produced.

These materials were distributed to the exhibition visitors, guests of the match making events and participants of HKAIA's events. Also, soft copies of the directory and brochures are available for download in the HKAIA website.

Enhancement Programme

A series of enhancement training program consisting of three seminars were organised to equip SMEs with the market information and industry knowledge for strengthening their competitiveness of doing business in the aviation industry.

- ***Seminar on “Airworthiness Requirements and Aviation Quality Management Systems” (21 January 2015)*** – This seminar explained various requirements and certification procedures for compliance of products (focusing on plastic, metal and critical parts) and related manufacturing processes such as surface treatment. Overseas speakers were invited to deliver the seminar.
- ***Seminar on “Industrial Requirements and Procurement Processes” (21 November 2015)*** – This seminar delivered insight on user requirements for supplying products (focusing on plastic, metal and critical parts) and services to the aviation industry. Apart from overseas speaker, two local speakers from airlines and Maintenance Department were also invited to deliver the seminar.
- ***Seminar on “Aviation Manufacturing Technologies” (17 Novembers 2015)*** – This seminar introduced the conventional and state-of-art manufacturing technologies (focusing on plastic and metal processing and related surface treatment) and materials (e.g. composites) adopted by the aviation industry. Two overseas speakers were invited to deliver the seminar.

Around 173 participants attended the seminars. Soft copy of training hand-outs was available for sharing upon request, subject to the consent of speakers.

Actual Benefits to SMEs/Enterprises

(Please indicate in clear, specific, tangible and quantifiable terms the benefits of the project and its contribution to enhancing the competitiveness of Hong Kong's SMEs / enterprises in general or SMEs / enterprises in specific sectors / assist Hong Kong enterprises in general or in specific sectors in developing brands, upgrading and restructuring business operations, and promoting domestic sales in the Mainland, in not more than 400 words.)

In the project, we produced a video programme to introduce the present and future development of the Hong Kong Aviation Industry. This video presents the entire value chain of the industry, including airlines, business aviation, maintenance company, manufacturer, parts distributor, R&D institute, education, aviation authority and the airport. It does not only promote our capabilities, but effectively shows that the Hong Kong aviation industry, with diverse and high quality services provided by different sectors, can provide total solutions to customers. This video has raised the profile of Hong Kong companies.

We set up "Hong Kong Pavilion" in two aviation trade shows. 12 companies sent representatives and 20 companies sent their products and brochures to the exhibitions. Meanwhile, we promoted over 60 companies with the display of presentation materials. This pavilion benefited the local industry through promoting capabilities of different sectors in the value chain of the Hong Kong Aviation Industry to the global industry players. During the Airshows, match making events were organised. These events provided an environment for Hong Kong companies to network, connect buyers and suppliers, form partnerships. All in all, the exposure of Hong Kong companies has been significantly increased among the global aviation industry. Most participating companies received order enquiries from other companies. In which, around 5 companies expressed that they had been following up the potential business with aircraft part manufacturers by offering quotations and arranging factory visits.

We produced a set of promotional materials including Hong Kong Aviation Industry Directory, promotional brochures and interactive online platform. The Directory and online platform include information of 100 Hong Kong aviation-related organizations, directly providing contact information for local and overseas enterprises to look for business partners here.

We organized a series of enhancement training program consisting of three seminars. Participants were benefited by enriching the knowledge related to procurement strategies, manufacturing technologies and management system employed by the aviation industry. This knowledge has strengthened their competitiveness of doing business in the aviation industry.

Milestones (in chronological order)

(# Please indicate if the milestone is completed (C), deferred (D) or not achieved (N). If it is deferred, please indicate the revised completion date. For those milestones which are deferred or not achieved, please also provide the reasons under item 2.4.)

<u>Milestone</u> (as set out in the approved project proposal appended to the project agreement)	<u>Original target completion date</u>	<u>Revised target completion date</u> (if applicable)	<u>Status</u> (C/D/N) #
(a) - To line up various companies from different sectors in the Hong Kong aviation industry for forming the pavilion and match making participating group. - To line up various companies from different sectors in the Hong Kong aviation industry for forming the video shooting group.	31/10/13	N.A.	C
(b) - To research on the updates and best practices of the aviation industry in order to develop the enhancement training programme. - To identify different aviation sectors and line up potential companies to the B to B meetings at the trade shows. - To set up the theme of "Hong Kong pavilion" at two trade shows in Mainland China and Singapore.	31/12/13	N.A.	C

<p>(c) - To collect a list of company information ranging from airlines, MRO, ground support, component manufacturing to other related services for compiling the directory.</p> <ul style="list-style-type: none"> - To draft the content of the promotional video to introduce the Hong Kong aviation industry. - To develop the seminars of the enhancement training programme. - To identify and invite speakers to deliver the enhancement training seminars. 	28/02/14	N.A.	C
<p>(d) - To develop a set of promotional materials including the industry directory and promotional brochures.</p> <ul style="list-style-type: none"> - To develop the interactive online platform. - To develop the video programme on Hong Kong aviation industry. - To set up the exhibition area of "Hong Kong pavilion" at two trade shows. - To invite companies to B to B meetings at the trade shows. - To arrange B to B meetings at the trade shows. - To conduct interviews with participating companies and compose an article. - To promote and invite participants to the enhancement training seminars. - To arrange a series of enhancement training seminars. 	28/02/15	N.A.	C

Marketing/Dissemination Activities (in chronological order)

(Please provide details of all completed and on-going promotional and/or dissemination activities for each of the project deliverables. Such activities may include advertisements, seminars, workshops, etc.)

<u>Date/ Period</u>	<u>Description</u>	<u>No. of beneficiaries (SMEs/Enterprises*)</u> *please delete as appropriate
19/11/2014	Media Interview (non-funded project activity)	200
03/01/2014	Media Interview (non-funded project activity)	200
11-16/02/2014	"Hong Kong Pavilion" at Singapore Airshow	80
11-16/02/2014	Match Making at Singapore Airshow	20
11-16/02/2014	Promotional Brochures Distribution at Singapore Airshow	1,000
06/2014	Article on "Hong Kong Pavilion" at Singapore Airshow	1,000
17/10/2014	Seminar on "Aviation Manufacturing Technologies"	81
20/10/2014	Seminar on "Industrial Requirements and Procurement Processes"	46
11-16/11/2014	"Hong Kong Pavilion" at China Airshow	80
11-16/11/2014	Match Making at China Airshow	20
11-16/11/2014	Promotional Brochures Distribution at China Airshow	1,000
21/01/2015	Seminar on "Airworthiness Requirements and Aviation Quality Management Systems"	46
02/2014 - 02/2015	Promotional Video Broadcast	1,000
02/2014 - 02/2015	Directory Distribution	1,000
02/2014 - 02/2015	Interactive Online Platform	1,000
Total no. of beneficiaries :		6,773

Future Plan for Promoting the Project Deliverables

Broadcast the promotional video and distribute the directories in future aviation events.
