

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

Final Report on Approved Project

Project ref. no. : BUD 17 1 002
Project title : To promote the strength and image of “premium
safety and quality of service and manufacturing” of
Hong Kong aviation industry in Mainland general
aviation sector to tap into this promising market
Period covered : From 28/08/2017 to 27/11/2019
(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 Summary (in about 150 words)

For over the decades, Hong Kong is the leading aviation hub in Asia region in terms of passenger and cargo throughput and provision of all-rounded services, receiving international recognition on the professionalism and experience demonstrated by different sectors of the Hong Kong Aviation Industry. It is clear that there is potential capacity for the industry to attract more businesses from the neighbouring aviation market including Mainland China.

According to the Civil Aviation Administration of China (CAAC), the Mainland Aviation market turned in a record-high profit of RMB 48.79 billion in 2015, an increase of 68.9% compared to 2014. Aerospace enterprises Boeing and Airbus recently forecasted that China will need over 6,000 new planes over the next two decades. Due to the unstable trade relationship between the US and China, the development of China Aviation Industry would not exclusively rely on the import of the global aviation enterprises. The Made in China 2025 Plan had emphasized Aviation Industry as one of the key industry sectors targeted to upgrade. The manufacturing and service supporting require precise control of production method, extremely regulated procedure and quality assurance, which fit the core value of Hong Kong companies.

Civil aviation activities were classified into Commercial Aviation and General Aviation. The former one refers to operations involving the transport of passengers, cargo or mail for remuneration or hire while the latter one represents all activities other than Commercial Aviation. Its purposes diversify from business, industrial, agricultural, recreational and academic use. In 2016, the Chinese Government issued the "Guiding Opinions on Promoting the Development of General Aviation Industry". It is the first time that the expansion of opened lower air space below 3,000 metres and relief of flight approval processes were proposed. The booming new sectors in China, including General Aviation, showed higher degree of acceptance to the new entrants and SMEs comparing with the mature Western market.

In view of the fact of the business environment of Mainland's General Aviation sector, it is a critical moment for stakeholders of the Hong Kong Aviation Industry to promote the core values of premium safety and quality of service and manufacturing, further enhance their market knowledge and expand their business network into the Mainland's General Aviation sector to edge out the potential competitors in the soaring market. Hong Kong companies could share the market growth by means of attracting more service or manufacturing orders from the Mainland.

Project Objective(s) (in about 80 words)

To promote Hong Kong Aviation Industry in the Mainland by demonstrating the core values of professionalism in terms of "premium safety and quality of service and manufacturing"

To provide assistance to Hong Kong's companies to access to the business opportunities of the General Aviation sectors of Mainland Aviation market

To equip Hong Kong's companies the industry knowledge and market information of the Mainland's General Aviation sector

Grantee/Collaborating Organisation/Implementation Agent

Grantee : Hong Kong Aviation Industry Association Limited (HKAI/A)
SAE International (Hong Kong) Limited
Hong Kong Critical Components Manufacturers Association Limited (HKCCMA)

Collaborating Organisation(s) : Hong Kong Auto Parts Industry Association Limited (HKAPIA)

Implementation Agent(s) : Hong Kong Productivity Council (HKPC)

Key Personnel

	<u>Name</u>	<u>Company/Organisation</u>	<u>Tel No. & Fax No.</u>
Project Co-ordinator	: <u>Angus CHEUNG</u>	<u>Hong Kong Aviation Industry Association Limited</u>	<u>(852)2261 2819 (852)2261 2388</u>
Deputy Project Co-ordinator	: <u>Samson SUEN</u>	<u>Hong Kong Productivity Council</u>	<u>(852)2788-5552 (852)2788-6169</u>

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	<u>28/08/2017</u>	<u>27/11/2019</u>	<u>27 months</u>
Revised (if applicable)	_____	_____	_____

2. Summary of Project Results

Project Deliverables

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

	Project deliverable (e.g. First seminar)	Quantifiable target (e.g. 100 participants)	Actual result achieved (e.g. 90 participants)	Reasons for not achieving the target, if applicable (e.g. The total number of registered participants was over 120. However, some of them did not show up eventually. Will strengthen promotion and try to make up for the shortfall in the following two seminars.)
1st progress report period				
a)	<i>Hong Kong Pavilion at the 17th Aviation Expo China</i>	<i>Around 60 products and services offerings from around 60 companies will be showed in each Pavilion</i>	<i>80 products and services offerings from around 120 companies were showed at Aviation Expo China</i>	
		<i>About 15 Hong Kong company representatives will be invited to attend to each exhibition.</i>	<i>21 company representatives attended the Aviation Expo China</i>	
		<i>Estimated space: around 64 sqm</i>	<i>64 sqm at Aviation Expo China</i>	
		<i>1 full-page Advertisement for each exhibition in directory of the exhibition</i>	<i>1 full-page advertisement was placed in directory of the exhibition</i>	
		<i>The video produced from the previous SDF project will be broadcast.</i>	<i>The video produced from the previous SDF project was broadcast.</i>	
		<i>1 project steering committee to overseeing the implementation of the project and selecting the exhibits</i>	<i>1 project steering committee was formed to overseeing the implementation of the project and selecting the exhibits</i>	
b)	<i>Match Making Event</i>	<i>Around 30 representatives from China General Aviation enterprises and trade associations will be invited to each match making event</i>	<i>30 Mainland companies were invited to the event at Aviation Expo China.</i> <i>62 Mainland representatives attended the Match Making Event.</i>	
		<i>Around 15 Hong Kong representatives will be invited to each match making event.</i>	<i>21 Hong Kong company representatives attended the event.</i>	

c)	Hong Kong Aviation Industry Directory 2018/19	800 pcs	800 pcs were produced	
		The directory will be distributed at the exhibition to visitors and guests of the match-making events.	200 pcs of directory was distributed at the exhibition	
		An electronic version will be available for download in the HKAIA website and accessed through the QR code printed on decoration of Hong Kong pavilion and advertisement.	An electronic version was available for download in the HKAIA website and accessed through the QR code printed on promotional materials.	
d)	1 st Seminar	A half-day (3 hours each) technical seminar will be held.	The 1 st seminar was held on 27/04/2018, 14:30 – 17:30	
		Three Chinese experts will be invited to share the view.	Three experts (two Chinese speakers and one German speaker) shared their view in the seminar.	Due to the late confirmation of the mutually-available date of Mainland speakers, the speaker who resides in Hong Kong with expertise in Chinese aviation business was invited.
		The expected number of participant in each seminar is about 100, targeted to management level.	44 participants registered to this seminar. 30 participants attended the seminar.	Another aviation event, the Asian Business Aviation Conference & Exhibition 2018, was held in Shanghai in late April, so lots of potential participants went to Shanghai to attend the ABACE 2018 and they may not be willing to join two events within a short time period. We would strengthen the promotion work and come up with a more appropriate date for the second seminar.
		Soft copy of presentation materials will be available for download in the HKAIA website, subject to the consent of speakers.	Soft copy of presentation materials is available for download in the HKAIA website after the seminar.	
		1 set of pamphlet (100 pcs) will be produced and distributed through the networks of the applicants, implementation agent and collaborating organisations.	1 set of pamphlet (100 pcs) was produced and distributed through the networks of the applicants, implementation agent and collaborating organisations.	

e)	Hong Kong Pavilion at Shanghai International Aviation Services Trade Fair 2018	Around 60 products and services offerings from around 60 companies will be showed in each Pavilion	80 products and services offerings from around 120 companies were showed at Shanghai International Aviation Services Trade Fair.	
		About 15 Hong Kong company representatives will be invited to attend to the exhibition.	19 company representatives attended the Shanghai International Aviation Services Trade Fair.	
		Estimated space: around 64 sqm	64 sqm at the Shanghai International Aviation Services Trade Fair.	
		1 full-page advertisement for each exhibition in directory of the exhibition	1 full-page advertisement was placed in directory of the exhibition.	
		The video produced from the previous SDF project will be broadcasted	The video produced from the previous SDF project was broadcasted.	
		1 project steering committee to overseeing the implementation of the project and selecting the exhibits	1 project steering committee was formed.	
f)	Match Making Event	Around 30 representatives from China General Aviation enterprises and trade associations will be invited to each match making event	30 Mainland companies were invited to the event at Shanghai International Aviation Services Trade Fair. 18 representatives from Mainland attended the Match Making Event.	We had invited the target number of Mainland companies according to the proposal. Yet, we only recorded participants with name cards left in our booth, so some participants were not counted (which should be more than 18). In order to have a better record of participants, apart from collecting name cards of the attendees, we will prepare an attendance list for this kind of event.
		Around 15 Hong Kong representatives will be invited to each match making event.	19 Hong Kong company representatives attended the event at Shanghai International Aviation Services Trade Fair.	
g)	2 nd Seminar	A half-day (3 hours each) technical seminar will be held.	The 2 nd seminar was held on 20/07/2018, 14:30 – 17:30	
		Three Chinese experts will be invited to share the view.	Three experts (two Chinese speakers and one Portuguese speaker) shared their view in the seminar	Due to the late confirmation of the mutually-available date of Mainland speakers, the speaker who resides in Hong Kong with expertise in Chinese

				aviation business was invited.
		The expected number of participant in each seminar is about 100, targeted to management level.	91 participants registered to this seminar. 61 participants attended the seminar.	The number of attendees was improved after the 1st seminar. The number of participants registered was close to the target of 100 and some participants were absent in this seminar after registration. In order to encourage those registered parties to attend the seminar, we will send one more event reminder email before the event date.
		Soft copy of presentation materials will be available for download in the HKAIA website, subject to the consent of speakers.	Soft copy of presentation materials is available for download in the HKAIA website after the seminar	
		1 set of pamphlet (100 pcs) will be produced and distributed through the networks of the applicants, implementation agent and collaborating organisations.	1 set of pamphlet (100 pcs) was produced and distributed through the networks of the applicants, implementation agent and collaborating organisations.	
h)	Hong Kong Pavilion at the 12th China International Aviation & Aerospace Exhibition in Zhuhai	Around 60 products and services offerings from around 60 companies will be showed in each Pavilion	80 products and services offerings from around 120 companies were showed.	
		About 15 Hong Kong company representatives will be invited to attend to the exhibition.	20 company representatives attended the 12th China International Aviation & Aerospace Exhibition	
		Estimated space: around 68 sqm	60 sqm at the 12th China International Aviation & Aerospace Exhibition	
		1 full-page advertisement for each exhibition in directory of the exhibition	1 full-page advertisement was placed in directory of the exhibition.	

		The video produced from the previous SDF project will be broadcasted	The video produced from the previous SDF project was broadcasted.	
		1 project steering committee to overseeing the implementation of the project and selecting the exhibits	1 project steering committee was formed.	
i)	Match Making Event	Around 30 representatives from China General Aviation enterprises and trade associations will be invited to each match making event	30 Mainland companies were invited to the event at the 12th China International Aviation & Aerospace Exhibition 51 representatives from Mainland attended the Match Making Event.	
		Around 15 Hong Kong representatives will be invited to each match making event.	20 Hong Kong company representatives attended the event at the 12th China International Aviation & Aerospace Exhibition	
j)	Hong Kong Pavilion at the 6 th China International General Aviation Convention in Xian	Around 60 products and services offerings from around 60 companies will be showed in each Pavilion	80 products and services offerings from around 120 companies were showed.	
		About 15 Hong Kong company representatives will be invited to attend to the exhibition.	16 company representatives attended the 6 th China International General Aviation Convention	
		Estimated space: around 64 sqm	72 sqm at the 6 th China International General Aviation Convention	
		1 full-page advertisement for each exhibition in directory of the exhibition	1 full-page advertisement was placed in directory of the exhibition.	

		The video produced from the previous SDF project will be broadcasted	The video produced from the previous SDF project was broadcasted.	
		1 project steering committee to overseeing the implementation of the project and selecting the exhibits	1 project steering committee was formed.	
k)	Match Making Event	Around 30 representatives from China General Aviation enterprises and trade associations will be invited to each match making event	30 Mainland companies were invited to the event at the 6th China International General Aviation Convention 30 representatives from Mainland attended the Match Making Event.	
		Around 15 Hong Kong representatives will be invited to each match making event.	16 Hong Kong company representatives attended the event at 6th China International General Aviation Convention	

Details of the deliverables (e.g. date, duration, venue, speaker, topic discussed, etc.)
(Please list out in table format if necessary.)

1. The “Hong Kong Pavilion” in Beijing was completed. There were 80 products and services offerings were showed in Pavilion in Beijing. A project steering committee, consisting of members from the applicant, implementation agent, collaborating organisations and industry, was set up to overseeing the implementation of the project, to select products and services to be displayed in Hong Kong pavilions and to select Hong Kong representatives in match-making events in a fair and transparent manner.

- “Hong Kong Pavilion” and Match Making Event at the 17th Aviation Expo China
- Location: Beijing
- Date: 19-22 September 2017 (4 days)
- Space: 64 sqm

1 Match Making Event in Beijing were arranged and completed. There are 21 representatives from HK and 62 representatives from Mainland attended the event at Aviation Expo China.

2. The Hong Kong Aviation Industry Directory was published with updated information. The directory was distributed at Beijing to the exhibition visitors and guests of the match making events. An electronic version of the directory is now also available for download in the HKAIA website - http://hkaia.org.hk/publications.php?page_title=publications
3. The “Hong Kong Pavilion” in Shanghai was completed. There were 80 products and services offerings shown in the Pavilion. A project steering committee, consisting of members from the applicant, implementation agent, collaborating organisations and industry, was set up to overseeing the implementation of the project, to select products and services to be displayed in Hong Kong pavilions and to select Hong Kong representatives in match-making events in a fair and transparent manner.

- “Hong Kong Pavilion” and Match Making Event at Shanghai International Aviation Services Trade Fair 2018
- Location: Shanghai
- Date: 14-16 May 2018 (3 days)
- Space: 64 sqm

1 Match Making Event in Shanghai were arranged and completed. There are 19 representatives from HK and 18 representatives from Mainland attended the event at Shanghai International Aviation Services Trade Fair.

4. The 1st seminar was organized on 27/04/2018, with the topic on “China Aviation Market”. 3 guest speakers shared their views on the China aviation market, with the aim to disseminate the knowledge and industrial practise of the Mainland’s General Aviation Sector. 44 participants registered to attend this seminar.

HKAIA Seminars 2018 on China Aviation Market —1st Seminar

- Location: SME One, G/F, HKPC Building, 78 Tat Chee Avenue, Kowloon, Hong Kong
- Date: 27/04/2018 (Fri) 14:30 – 17:30
- Guest speakers: Mr. Kenny Chiang from Champion Aviation Dynamic Technology (China) Co., Ltd.
 Mr. Mathieu Tellier from International Aviation Safety Limited
 Mr. Rocky Zhang from Textron Aviation

5. The 2nd seminar was organized on 20/07/2018, with the topic on “China Aviation Market”. 3 guest speakers shared their views on the China aviation market, with the aim to disseminate the knowledge and industrial practise of the Mainland’s General Aviation Sector. 91 participants registered to attend this seminar.

HKAIA Seminars 2018 on China Aviation Market —2nd Seminar

- Location: SME One, G/F, HKPC Building, 78 Tat Chee Avenue, Kowloon, Hong Kong
- Date: 20/07/2018 (Fri) 14:30 – 17:30
- Guest speakers: Mr. Sergio Oliveira e Silva from Gama Aviation Limited
 Ms. Jo Yiu from Asian Business Aviation Association
 Ir. William Leung from Hong Kong Business Aviation Centre Limited

6. The “Hong Kong Pavilion” in Zhuhai was completed. There were 80 products and services offerings shown in the Pavilion. A project steering committee, consisting of members from the applicant, implementation agent, collaborating organisations and industry, was set up to overseeing the implementation of the project, to select products and services to be displayed in Hong Kong pavilions and to select Hong Kong representatives in match-making events in a fair and transparent manner.

- “Hong Kong Pavilion” and Match Making Event the 12th China International Aviation & Aerospace Exhibition

- Location: Zhuhai

Date: 6-11 November 2018 (6 days)

Space: 60 sqm

1 Match Making Event in Zhuhai was arranged and completed. There are 20 representatives from HK and 51 representatives from Mainland attended the event at the 12th China International Aviation & Aerospace Exhibition.

7. The “Hong Kong Pavilion” in Xian was completed. There were 80 products and services offerings shown in the Pavilion. A project steering committee, consisting of members from the applicant, implementation agent, collaborating organisations and industry, was set up to overseeing the implementation of the project, to select products and services to be displayed in Hong Kong pavilions and to select Hong Kong representatives in match-making events in a fair and transparent manner.

- “Hong Kong Pavilion” and Match Making Event at the 6th China International General Aviation Convention

- Location: Xian

Date: 17-21 October 2019 (5 days)

Space: 72 sqm

1 Match Making Event in Xian was arranged and completed. There are 16 representatives from HK and 30 representatives from Mainland attended the event at the 6th China International General Aviation Convention.

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)	Original target completion <u>date</u>	Revised target completion <u>date</u> (if applicable)	<u>Status</u> (C/P/D) #	Reason for deviation from its original target <u>completion date</u>
(a)	To line up various products and services from different sectors in the Hong Kong aviation industry for forming the pavilion set up at the 17 th Aviation Expo China in Beijing.	30/10/17		C	
(b)	To invite Hong Kong companies and line up potential companies in Mainland’s General Aviation sector to join the match making event at the 17th Aviation Expo China in Beijing				
(c)	To design, set up and manage Hong Kong pavilion and organize match making event at the 17 th Aviation Expo China in Beijing (Sep 2017)	30/10/17		C	

<ul style="list-style-type: none"> To research on the current list of companies in the aviation industry and define categories of the companies To liaise with MROs, servicing companies, parts & equipment manufacturers, parts & equipment distributors and other related companies for the update and addition of the list of company information in the directory To develop and publish the Hong Kong Aviation Industry Directory 2018/19 	30/10/17		C	
(d) To research on the updates and best practices of the Mainland's General Aviation market in order to develop the seminars	31/01/18	27/04/18	C	The 1 st seminar was delayed due to the late confirmation of mutually-available date of Mainland speakers.
(e) To identify and invite speakers to deliver the 1 st seminar				
(f) To prepare pamphlet, promote and invite participants to the 1 st seminar				
(g) To organize the 1 st seminar				
(h) To identify and invite speakers to deliver the 2 nd seminar	30/4/18	20/07/2018	C	The 2 nd seminar was delayed due to the delay of the 1 st seminar.
(i) To prepare pamphlet, promote and invite participants to the 2 nd seminar				
(j) To organize the 2 nd seminar				
<ul style="list-style-type: none"> To line up various products and services from different sectors in the Hong Kong aviation industry for forming the pavilion set up at the 7th ASCE China in Shanghai To invite Hong Kong companies and line up potential companies in Mainland's General Aviation sector to join the match making event at the 7th ASCE China in Shanghai To design, set up and manage Hong Kong pavilion and organise match making event at the 7th ASCE China in Shanghai (Jun 2018) 	31/07/18		C	

<ul style="list-style-type: none"> • To line up various products and services from different sectors in the Hong Kong aviation industry for forming the pavilion set up at the 12th China International Aviation & Aerospace Exhibition in Zhuhai • To invite Hong Kong companies and line up potential companies in Mainland's General Aviation sector to join the match making event at the 12th China International Aviation & Aerospace Exhibition in Zhuhai • To design, set up and manage Hong Kong pavilion and organise match making event at the 12th China International Aviation & Aerospace Exhibition in Zhuhai (Nov 2018) 	31/12/18	C	
<ul style="list-style-type: none"> • To line up various products and services from different sectors in the Hong Kong aviation industry for forming the pavilion set up at the 6th China International General Aviation Convention in Xian • To invite Hong Kong companies and line up potential companies in Mainland's General Aviation sector to join the match making event at the 6th China International General Aviation Convention in Xian • To design, set up and manage Hong Kong pavilion and organise match making event at the 6th China International General Aviation Convention in Xian (Sep 2019) 	30/11/19	C	<p><i>[Note: the Xian exhibition was held from 17 -21 Oct 2019.]</i></p>

Future Plan for Promoting the Project Deliverables (Nil if not applicable)

Nil.
