

XAIC extends contract with Boeing

Xi'an Aircraft International Corporation (XAIC) yesterday delivered the 1,500th vertical fin for Boeing's best-selling B737 aircraft and signed an extended contract to supply another 1,500 units to the US aircraft manufacturer.

The new order is the largest subcontracting agreement in terms of volume the Chinese aviation manufacturing industry has ever received.

"The extension of the contract showed that XAIC is capable of producing large-size aircraft components in large volume for leading international aviation manufacturers. It is a milestone in XAIC's efforts to become a strategic partner for Boeing and Airbus," said Meng Xiangkai, president of XAIC.

Vertical fins are typically found on the aft end of the fuselage and are intended to reduce aerodynamic sideslip.

XAIC, a subsidiary of Aviation Industry Corporation of China (AVIC), signed the first contract for producing 1,500 units of B737 vertical fins in 1996 and is currently able to produce 21 to 24 units of vertical fins per month.

Boeing manufactures 31 B737 planes per month. Nearly two-thirds of the B737 worldwide fleet are equipped with vertical fins produced by XAIC.

Boeing and XAIC did not reveal the total value of the contract.

"Since the 1980s, Boeing has purchased parts and components worth more than \$1.5 billion from China. That (the purchasing volume) will more than double in the coming years," said George Maffeo, vice-president for supplier management, airplane programs, Boeing Commercial Airplanes.

Boeing's archrival Airbus is also expanding industrial cooperation in China. The total annual value of Airbus' procurement in China reached over \$100 million in 2008 and is expected to touch \$200 million this year and \$450 million in 2015.

XAIC also produces wings for Airbus A320 airplanes. The A320 wing is the largest and most complicated aircraft component a Chinese company has ever made. China is Airbus' only wing manufacturer outside Europe.

XAIC is a major supplier to China's homegrown regional jet ARJ21 and large commercial passenger aircraft C919 by manufacturing fuselage and wings.

AVIC is using XAIC as a platform to consolidate its commercial aircraft manufacturing businesses by injecting assets worth 8 billion yuan into the Shenzhen-listed company.

Source: China Daily