

Click here or visit www.epicos.com

Volume 5 Number 26 - Wednesday, 26 June 2013

Part I

Special Focus: Colombia

- 1. F-AIR COLOMBIA, Rionegro (Antioquia) 11 to 14 of July, 2013
- 2. Interview with Colonel Alfonso Lozano Ariza, Sub Director of the Civil Aviation Authority of Colombia

Part II

Epicos Newsroom

- 1. Biofueled Airbus makes air show entrance
- 2. Paris Air Show highlights health of aerospace sector
- 3. Japan's ANA and AirAsia to dissolve budget carrier
- 4. SAS orders eight Airbus A350s, four A330s
- 5. EU approves Delta-Virgin Atlantic airline deal

F-AIR COLOMBIA, Rionegro (Antioquia) - 11 to 14 of July,

2013



The Civil Aviation Authority of Colombia, the Colombian Air Force and the International Business and Exhibition Centre of Bogota, Colombia – CORFERIAS will organize for the sixth time F-AIR COLOMBIA, an International Air Show, which will take

Cpicos.com

place in Rionegro (Antioquia) in Colombia from the 11th to the 14th of July, 2013. F-AIR COLOMBIA 2013 promotes the development of the Aeronautical Industry through the commercial exchange of goods and services in the civil and defence aviation industry, the defence and military sector, technical maintenance, airport equipment and aerospace technologies, airport safety and support services, infrastructure, surveillance, and navigation systems.

The F-AIR COLOMBIA 2013 is one of the most important events in the Latin American continent for the aviation industry. This year more than 200 companies will participate from more than 25 countries.

The main objective of the fair is, among others, to:

- Create a place for interaction between suppliers of the civil and defence aviation industry with public and private companies of the sector where the latest developments of both the national and international aeronautical industry will be presented.
- Become a starting point to generate business contacts, strengthen commercial, business and public relations.
- Position Colombia as an aeronautic market reference for the region and at the same time to support the development of the Colombian



Aeronautical Industry and encourage foreign investment.

- Promote innovation by enabling exhibitors to present industry updates through academic activities focused on issues of interest to the industry.
- Host shows from national and international acrobatic teams.
- Commemorate the 100 years of civil aviation in Colombia.

F-AIR COLOMBIA 2013 is of significant added value to the country as it aims to:

- Develop the National Aviation Industry
- Strengthen Security Standards for Aviation and Airports
- Generate the Renewal of Aeronautical Equipment
- Attract Foreign Investment

- Strengthen National and International Aviation Business Image
- Form Strategic Alliances between the Public and Private Sector
- Promote Public Relations
- Generate Support Links
- Generate Business Partnerships
- Develop and Promote New and Innovative Academic Findings

The event will focus on the following areas:

- CIVIL AVIATION
- MILITARY AVIATION TECHNOLOGY AND DEFENCE (GROUND, AIR, SEA)
- COMPONENTS, EQUIPMENT AND
 MATERIALS
- MAINTENANCE, REPAIR AND TECHNICAL SERVICES
- AIRPORT INFRASTRUCTURE
- RESEARCH AND DEVELOPMENT
- AUTHORITIES, ORGANIZATIONS AND ASSOCIATIONS
- EDUCATION, TRAINING AND SERVICES
- AEROSPACE TECHNOLOGY

For further information please visit <u>http://www.f-aircolombia.com.co/en</u> or contact:

Corferias Mr. Andres Gonzalez Medina Project Manager email: <u>agonzalez@corferias.com</u> Tel: +571 3810000 Ext: 5160



Interview with Colonel Alfonso Lozano Ariza, Sub Director of the Civil Aviation Authority of Colombia

Colonel Alfonso Lozano Ariza, Sub Director of the Civil Aviation Authority of Colombia gave an exclusive interview to Epicos, regarding the F-AIR COLOMBIA 2013 exhibition. Among others he stated that: "F-AIR COLOMBIA has significantly developed and positioning itself as one of most important defence exhibitions in the continent. The fair is a way of promotion and communication between the clients and suppliers, between final users and manufacturers. This gives the exhibition a great place in the international scene, and remarks the excellent development of

the National Aeronautical Industry of Colombia, a sector in which the country is a leader in Latin America."

<u>Question:</u> From the 11th to the 14th of July F-AIR COLOMBIA 2013 will take place in Rionegro, Colombia. This will be the sixth event organized since 2004 when F-AIR COLOMBIA was organized, for the first time. Could you please describe the concept of the F-AIR COLOMBIA exhibition?

Answer: "This event allows all people that work in the aeronautical field to meet, enabling

big business opportunities in favour of the national regional and industry. Additionally, this exhibition allows the enjoy visitor air to the show with national demonstrations, and international crews and equipment. Also the marvellous natural sights of Antioquia make the visitor feel the charming of beautiful landscapes, with a lot of green and the kindness of the people from the region.

F-AIR COLOMBIA 2013 is an enormous opportunity for Colombia and the region to demonstrate to the world the capabilities it has to offer to the civil and military industries."

<u>Question</u>: What are your expectations for this current event opening its doors on the 11th of July?

<u>Answer:</u> "The participation of around 20 countries is expected, represented by more than 200 exhibitors. Additionally, the exhibition is expected to have more than 50.000 visitors.





It is also expected that the F-AIR COLOMBIA 2013 will promote the development of the region through the promotion of tourism and the creation of new employment opportunities."

<u>Question</u>: What is the profile of the companies exhibiting? How many exhibitors are going to participate in F-AIR COLOMBIA 2013?

<u>Answer</u>: "200 exhibitors from around 20 countries will be participating in the exhibition. The profiles are from companies that provide goods and services in the civil and defence sectors, including, among others, aeronautical maintenance, ground equipment, airport

infrastructure, security, telecommunications infrastructure, safety, navigational aid equipment, medical, aerospace technologies."

<u>Question:</u> Are there any special events or conferences organized throughout the duration of the air show?

<u>Answer:</u> "A presentation of an air show from the Royal Canadian Air Force and with Lockheed Martin F-16 fighters is organized. Additionally, there will be presentations of the different capabilities of airplanes, helicopters and air equipment of the Colombian Air Force,



conferences and seminars about the present and future of the civil aviation and the present and future of the Air Forces."

<u>Question</u>: Who should visit F-AIR COLOMBIA 2013 and what are the benefits by attending the exhibition?

<u>Answer:</u> "Civil and Military Authorities of Colombia and the world, entrepreneurs, supervisors, technicians, engineers, pilots, advisors, operators and CEOs from aeronautical companies. Also, aviation lovers and enthusiasts, as well as the general public.

Among the benefits are:

- The encounter of the supply and demand of the aeronautical field, generating business opportunities;
- The opportunity to demonstrate to Colombia and the world the development of the Colombian Aeronautical Industry;
- The opportunity to demonstrate to the world the primary instruction airplane T-90 Calima which is the pride of the Colombian military manufacturing industry;
- The opportunity to demonstrate to the world the capabilities to perform major maintenance to the Hercules C-130 airplanes in Colombia;
- To demonstrate the development on UAV equipment;

- To show to the national and international community the development of the commercial and military aviation;
- Opportunities for the visitors to know the Antioquia region, and all its touristic attractions."

<u>Question:</u> Would you say that F-AIR COLOMBIA is the fastest growing air show in South America and the Caribbean and one of the key aerospace exhibitions currently taking place in the Latin America?

<u>Answer:</u> "Yes, actually the question itself is the answer, it could be said that F-AIR COLOMBIA has significantly developed and positioning itself as one of most important defence exhibitions in the continent. The fair is a way of promotion and communication between the clients and suppliers, between final users and manufacturers. This gives to the exhibition a



great place in the international scene, and remarks the excellent development of the National Aeronautical Industry of Colombia, a sector in which the country is a leader in Latin America.

It's evident that F-AIR COLOMBIA leverages the industry, giving the opportunity to Colombia to open a big window to the world. Colombia has been increasing its aeronautical infrastructure. The world's recognition for excellence and professionalism of the Colombian Air Force is a fact today. This resulted in the development of new and complex air operations from the Colombian Air Force, which has allowed the Air force to be invited to participate in the most recognized air combat exercises in the world."



Apart from the section focused on F-AIR COLOMBIA 2013, EPICOS' newsletter also provides a section with top international news provided by worldwide acknowledged news providers. Through this section, EPICOS announces the latest industrial developments for a large variety of high technology industries in the form of articles, videos press releases, electronic newspapers etc.

Biofueled Airbus makes air show entrance

An Airbus airliner flew from southern France to the Paris Air Show on Thursday with one fuel tank partially filled with farnesane, a biofuel made from sugar cane as the industry experiments with green technology.

The gambit was to show that the fast-growing air transport sector is eager for clean fuels, but the ability for green fuels to compete with petroleum-based kerosene that spews tonnes of CO2 and other pollutants into the atmosphere remains way off.

The sugar fuel was developed by Amyris, a US company owned by the French oil major Total, and could be on the market starting next year.

Other key partners in the demonstration were Air France and Safran, which built the engine used in the test.

"Technically there are solutions, but economically it has not taken off, that is for sure," said Pierre Porot, a biofuel specialist at the French institute IFP Energies Nouvelles.

Parked on the Le Bourget airport tarmac, the A321 looked quite similar to more conventional passenger planes and attracted hardly as much attention as the sleek combat jets sitting nearby.

It was only the second time a plane has flown with this kind of fuel, the first being in Brazil, where Total produces farnesane.

The flight, which lasts about an hour when commercial planes make it, used 10 percent farnesane, consuming about four tonnes of sugar cane.

But developers said use of sugar for fuel would not affect food markets, a usual complaint against biofuel technology.

"Sugar cane is not considered a food product by the (UN) Food and Agriculture Organization, it does not compete therefore with food sources," said Philippe Marchand, head of Total's biofuel unit.

For now however the main issue is cost.

Experts contacted by AFP estimated that existing "biokerosenes" cost between 30 and 50 percent more than the normal fuel.

So while airlines like Lufthansa and KLM have begun to incorporate biofuels in their operations, and a flight using only biofuel took place in Canada late last year, no carriers use it in significant quantities.

"Test flights are easy because they need only a few thousand litres of fuel," noted Claire Curry, an analyst at Bloomberg New Energy Finance (BNEF).

"But to obtain large quantities you have to build refineries costing \$200-300 million and the problem is finding the money," she said.

Total's Marchand is not deterred however, and once the new fuel has been certified, he intends to expand production facilities to Europe.

"French beet farmers are very interested in diversifying their activities because of the weakness in the ethanol market," he said.

Philippe Boisseau, head of Total's New Energies division said: "In four to five years, the goal is to make the fuel with non-edible parts of plants. To transform cellulose into non-food sugars that are then turned into biojet" fuels.

Other possible end products include biodiesel, cosmetics, medicines and even perfumes.

The cost issue could reverse meanwhile, because standard kerosene prices and carbon taxes will likely climb higher, forcing airlines to come up with alternatives.

Major aircraft manufacturers such as Airbus, Boeing and Embraer have said they are mulling joint programmes to develop biokerosene, since their futures also depend on a sustained source of jet fuels.

Environmental groups are bringing pressure to the air industry too. On Thursday, the French activist group Reseau Action Climat denounced the pollution generated by constantly growing traffic.

"Flying is the most polluting means of transport. Measured by passenger and by kilometre travelled, it is three times worse for the climate than cars," the group said.

Total hopes to have its farnesane fuel certified by the end of the year, and possibly have planes flying with sugar-based fuel in 2014.

Source: 2013 AFP, Agence France-Presse (AFP)

Paris Air Show highlights health of aerospace sector

Aerospace giants Airbus and Boeing racked up orders at the 50th Paris Air Show while Embraer of Brazil and prop-jet specialist ATR also hailed milestone results, signs that the sector is flying high, analysts said Thursday.

Airbus was the first to release aggregate figures on firm orders and other deals such as commitments or memorandums of understanding (MOU), listing \$39.3 billion (29.6 billion euros) in confirmed purchases.

Boeing the unveiled its own numbers, which showed firm orders worth \$38 billion.

Including deals that remained to be finalised pushed the numbers much higher, and in all cases they represented catalogue prices which are often considerably higher than those finally paid after tough negotiations.

Both Airbus and Boeing found buyers for longer-range aircraft that consume less fuel, such as the Airbus A350 that made its first test flight last Friday.

Boeing also picked up more orders for its 787 Dreamliner, grounded for several months this year by battery problems.

Deals also focused on Airbus' single-aisle A320 series and its rival, the Boeing 737 MAX.

In terms of aircraft numbers, Boeing announced firm orders for 302 planes, in particular one from Ryanair for 175 of the 737-800 model, while the total for Airbus came to 241, many of which were bigger, more expensive planes.

Earlier this month Boeing raised its estimate for global aircraft demand over the next 20 years by 3.8 percent to 35,280 planes worth \$4.8 trillion.

Aerospace analyst Howard Wheeldon urged media to look beyond the numbers, arguing that shows like those in Paris, Farnborough and elsewhere were "huge networking opportunities" where new ideas and partnerships got a boost as well.

He concluded that "despite concerns in defence and despite all the joys to be found in the commercial aerospace sector Le Bourget has done just about everyone proud."

Smaller plane makers were pleased indeed, with Paulo Cesar Silva, president of Embraer's civil aviation division, telling AFP: "The Paris Air Show 2013 has been a great show for Embraer, with the launch of the E2" family of regional jets.

"This show is the best one for us in 10 years," Silva added, as the company said it had taken firm orders worth \$5.29 billion.

For ATR, a European group that makes turbo-propeller aircraft for regional markets, it was "the best show in its history," a spokesman said, with 83 firm orders, and a record total book value of \$4.1 billion.

Aircraft makers are benefitting from sustained passenger growth in regions such as Asia and South America, which encourages airlines to invest.

The low-cost carrier Spirit, for example, ordered 20 Airbus A320 planes for its growing network in the United States, the Caribbean and Latin America, while British peer easyJet said it intended to buy 100 A320s.

On Friday, trade professionals anticipate an appearance by the A350 following its first test flight last week, while the Russian Sukhoi-35 combat jet impressed observers with another thunderous, cloud-ripping flyby.

The Airbus A400M military transport aircraft was another new plane that drew attention as it has finally resolved dogged teething problems and is set to enter service with the French Air Force in the coming weeks.

The cutting-edge cargo plane performed aerial demonstrations after being restricted two years ago to ground displays owing to engine problems.

Much slower, and quieter, than the sleek Sukhoi, the A400M and Airbus's A380 superjumbo airliner slipped in and out of scattered clouds with surprising grace against carefully chosen musical backgrounds.

Earlier in the day, United Airlines said it would order 10 Airbus A350-1000 long-range passenger jets in a deal worth up to \$3.3 billion.

Christophe Menard of Kepler Cheuvreux told AFP the deal "is excellent news, because what is at stake is the renewal of the ageing US fleet, and this company is often considered a precurser in terms of choices."

Aircraft leasing companies emerged as important buyers meanwhile, with Hong Kong Aviation Capital signing a memorandum of understanding Thursday for 60 planes in the A320 family, worth up to \$6.3 billion at list prices.

Source: 2013 AFP, Agence France-Presse (AFP)

Japan's ANA and AirAsia to dissolve budget carrier

Japan's All Nippon Airways and AirAsia said Tuesday they have agreed to terminate their budget carrier joint venture as business slumped amid management clashes, dealing a blow to the country's fledgling low-cost sector.

Malaysia-based AirAsia said AirAsia Japan would cut service by the end of October, just over a year after it started flying out of Tokyo's Narita airport in August.

"The joint venture... faced many challenges since its launch," AirAsia said in a statement.

It cited a "fundamental difference of opinion between its shareholders on how the business should be managed from cost management to where the domestic business operations should be based".

AirAsia chief executive and founder Tony Fernandes added that "it is time for us to part ways and focus our attention on what we do best, which is running a true LCC (low-cost carrier)".

Fernandes hinted AirAsia may return to Japan, saying its brand had "resonated with Japanese customers".

"I remain positive on the Japanese market and believe there is tremendous opportunity for an LCC to succeed," he added.

However Shinzo Shimizu, senior vice president of ANA Holdings, told a press briefing in Tokyo on Tuesday that the venture dissolved because "its name didn't spread in Japan and it couldn't make profits".

The airline booked an operating loss of about 3.5 billion yen (\$36 million), he said.

Another problem was that the carrier focused on online sales -- a key strategy for AirAsia -- but many Japanese travellers still book flights through travel agents, Shimizu said.

"We think that there is a limit to the strategy of simply bringing AirAsia's operation into the Japanese market," he added

ANA would launch a new budget brand in November, he said, although the airplanes leased by AirAsia Japan would be returned to the Malaysian firm.

"We will announce details of which brand and aircraft to use, as well as routes, in July," Shimizu said.

News reports said a new airline could fly under ANA's other budget carrier joint venture, Peach Aviation, which flies out of Osaka.

AirAsia Japan was one of three budget airlines to come online in Japan over the past couple of years, promising to shake up a sector long controlled by ANA and rival Japan Airlines.

But a key constraint for budget carriers is that they were shut out of Haneda airport, just a short train ride from downtown Tokyo and the staging point for the most profitable domestic routes.

Flying out of Narita requires a one-hour train ride from the city centre, a long-standing headache for travellers including passengers with AirAsia Japan and Jetstar Japan, a joint venture between JAL and Australia's Qantas.

The Japanese aviation industry has long been notorious for sky-high landing fees and fuel taxes.

Another no-frills carrier, Skymark Airlines, has struggled to offer the kind of heavily discounted fares seen in Europe and North America due to high operating costs.

Source: 2013 AFP, Agence France-Presse (AFP)

SAS orders eight Airbus A350s, four A330s

Struggling Scandinavian carrier SAS said on Tuesday it had signed a provisional order for 12 Airbus aircraft, including eight A350-900s and four A330-300s, with a list price of \$3.3 billion (2.5 billion euros).

Deliveries of the A330s are to begin in 2015 and the A350s in 2018, under the terms of the memorandum of understanding.

SAS said it had also signed an option for six more A350-900s and an upgrade of passenger cabins on up to seven A330/A340s.

The upgrade, to be completed by 2015, would consist of new seats throughout the cabin including fully flat seats in business class, and throughout the entire cabin a new high definition full video on demand in-flight entertainment system.

The order "marks the launch of SAS's long haul renewal plan," the company said in a statement.

"The great technological improvements of this extensive fleet renewal plan give SAS a long haul fleet that will be top of (the) class in the industry," SAS chief executive Rickard Gustafsson said.

"It will truly increase our competitiveness and strengthen our customer offering - both with regard to comfort, service and efficiency. Furthermore, we are able to significantly bring down fuel consumption which will lower our costs and support our goals to reduce emissions," he said.

SAS, which has reported losses for five years running, is in an intense restructuring process after several savings packages failed to yield results.

According to SAS, the company's fleet currently consists of 19 Airbus and 74 Boeings.

Source: 2013 AFP, Agence France-Presse (AFP)

EU approves Delta-Virgin Atlantic airline deal

The European Commission on Thursday approved the purchase by Delta Airlines of Singapore Airlines' 49 percent stake in Virgin Atlantic, to create a joint venture that will expand the carriers' trans-Atlantic network.

The Commission, which is the executive arm of the 27-nation European Union, said in a statement that it had "concluded that the proposed transaction did not raise competition concerns".

US airline Delta and British mogul Richard Branson's Virgin Atlantic announced the deal in December but it was subject to approval by EU regulators.

The commission said that many of Delta and Virgin's flights between Britain and North America overlap but that their joint venture would still face tough competition from rival carriers.

"The Commission's investigation confirmed that in all markets the combined entity would continue to face competition from several strong competitors, notably British Airways and American Airlines," the commission said.

Virgin Atlantic will keep its 51 percent controlling stake as part of the deal, which gives the Atlanta, Georgia-based Delta greater presence at the congested London Heathrow airport.

Source: 2013 AFP, Agence France-Presse (AFP)