AIRASIA AND EVERBRIGHT SIGN CHINA JOINT VENTURE MOU

News / Airlines

AirAsia Berhad has signed a memorandum of understanding (MoU) with Everbright and Henan Government Working Group to establish a low-cost carrier (LCC) in China.

It outlines how the parties will incorporate a joint venture to be known as AirAsia (China) for the purposes of operating a low-cost aviation business based in Zhengzhou, the capital of Henan province in central China.

In addition, AirAsia (China) will invest in aviation infrastructure, including a dedicated LCC terminal at Zhengzhou airport and an aviation academy to train pilots, crew and engineers, as well as maintenance, repair and overhaul (MRO) facilities to service aircraft.

The MoU was exchanged between AirAsia Group CEO Tan Sri Tony Fernandes, Everbright Financial Investment Holding Executive Director and President Wang Weifeng and Henan Airport Group Vice Chairman and President Li Weidong at China World Hotel here today.

The exchange was witnessed by Malaysian Prime Minister Datuk Seri Najib Tun Razak, Malaysian Ambassador to China Zainuddin Yahya, Malaysian Special Envoy to China Ong Ka Ting, Malaysian Agriculture and Agro-Based Industry Minister Shabery Cheek, Melaka Chief Minister Idris Haron, China Everbright Group Vice Chairman and President Gao Yunlong, Everbright

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Financial Investment Holding Executive Director Xu Hongzhe and Henan Investment Group Vice General Manager Li Xingjia.

Also witnessing the exchange were AirAsia Executive Chairman Datuk Kamarudin Meranun, AirAsia Senior Independent Non-Executive Director Fam Lee Ee and AirAsia North Asia President Kathleen Tan.

Speaking at a private tri-lateral meeting with AirAsia and Everbright before the MoU exchange, Henan Provincial People's Government Deputy Governor Shu Qing, who was not able to attend the ceremony, said, "Henan is very pleased to offer AirAsia a home in China. Zhengzhou was once the capital of ancient China. With AirAsia supporting the city's aeropolis – an industrial, commercial and logistics zone five times the size of Manhattan with the airport at its heart – we have absolute confidence that we will succeed in transforming Zhengzhou into the new hub for global transport and logistics.

China Everbright Group Vice Chairman and President Gao Yunlong said, "We are excited to be part of this joint venture to bring AirAsia to China. We believe China is ready for the world's leading LCC and we feel that AirAsia can deliver on that promise by providing real value to Chinese travellers thanks to its unique combination of low fares and world-class service."

AirAsia Group CEO Tan Sri Tony Fernandes said, "We chose Zhengzhou as our base due to its strategic location and importance as a logistics hub. As China's gateway to Europe, Zhengzhou sits at the centre of a vast rail, highway and air transport network that forms the linchpin of China's development plans for its central and western regions. With President Xi Jinping's vision for One Belt, One Road, Zhengzhou is set to become even more important, not least as the heart of low-cost air travel in North Asia.

"This Chinese venture represents the final piece of the AirAsia puzzle. In just 16 years, we have successfully built a presence in Malaysia, Thailand, Indonesia, Philippines, India and Japan, with China closing the loop on all major territories in Asia Pacific. AirAsia can now live up to its name as the only airline that connects travellers across Asia Pacific – from China, Japan and South Korea in the north, Australia and New Zealand to the south, India and the Middle East to the west, and Asean at the centre – representing an unbelievable foundation to drive growth for our partners and catapult change in the region."

AirAsia Executive Chairman Datuk Kamarudin Meranun said, "We are thrilled to be working together with China Everbright Group. This is the latest in a long line of strategic collaborations with Chinese companies, from Tencent, Alipay and Union Pay for payments to ICBC for aircraft financing and CALC for aircraft leasing. In addition, we are working closely with Huawei to create a digital airline and smart airport to transform the way we fly and have also started exploring the COMAC C919. China has been good to us and we want to give back in a big way, and this is just the start of enduring partnership that will benefit both China and Malaysia."

AirAsia was the first foreign LCC to enter China and has carried more than 40 million guests since its inaugural route to China in April 2005. AirAsia and AirAsia X currently fly to 15 destinations in China and is the largest foreign LCC operating into the country.

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