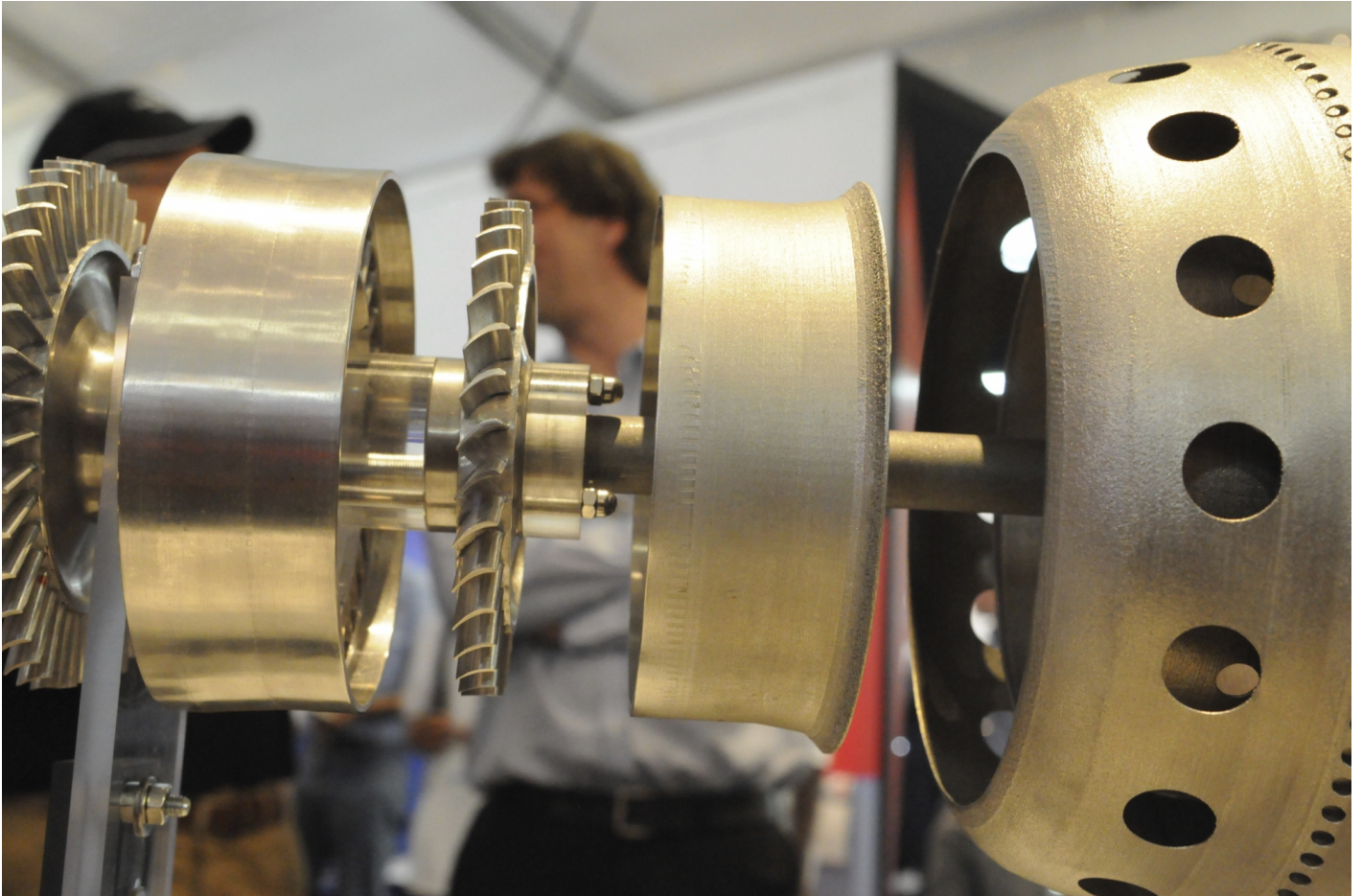


# AVIC PREPARING TO CONSOLIDATE AIRCRAFT ENGINE MAKING UNITS - EXECUTIVE

News / Manufacturer



**Aviation Industry Corporation of China (AVIC) is consolidating its aircraft engine manufacturing units, an executive at one of the units said, as part of a wider restructuring of the state-owned aerospace and defense company aimed at boosting competitiveness.**

Trading was halted at Sichuan Chengfa Aero-Science and Technology Co, AVIC Aero-Engine Controls Co and AVIC Aviation Engine Corp last week.

An executive at Sichuan Chengfa said the companies were currently working on an "asset consolidation plan" and that trading could resume as early as this week if the plan is finalised.

Industry executives say AVIC is likely to merge the three subsidiaries to create a single company that would be better placed to make globally competitive aircraft engines that could help China ease its reliance on engines from the likes of GE Electric and United Technologies' Pratt & Whitney.

China's government is encouraging state-owned firms to merge in a bid to create innovative,

globally competitive firms able to export Chinese know-how and high-end manufacturing to the world. So far this year, the state oversaw the merger of the two biggest nuclear power firms and top two train makers.

AVIC is also reportedly preparing to merge another three subsidiaries: AVIC Aircraft Co, AVIC Capital and AVIC Electromechanical System.

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**SOURCE: REUTERS**

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