

China Island-Building Fuels Patrol Aircraft Market

By: Andrew Chuter

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SINGAPORE – Last week's revelation that China appears to have deployed an air defense system on a disputed island in the South China Sea might as well have been part of the sales pitch for maritime patrol aircraft builders at the Singapore Airshow this week.

For alarmed neighbors in the region, it just might be the push for them to finally open their purse strings and invest in the maritime patrol aircraft as a means of keeping an eye on Beijing's territorial claims.

"Even countries like Malaysia, which generally has warm relations with Beijing, have become alarmed by China's ever-broadening claims to the South China Sea," said Dan Darling, a regional

analyst at Forecast International, market analysis company. "The need to acquire intelligence-gathering, surveillance and early-warning assets in order to exercise control over each nation's own economic, security and territorial interests has now become paramount in countries like the Philippines."

China and its neighbors in the South China Sea have been squabbling over disputed islands for decades, but Beijing's recent island building strategy in the Spratleys, and now the discovery of air defense missiles on the Paracels, has ratcheted up tension in a region where maritime patrol capabilities are often old, limited in capability or sometimes non-existent.

Armed forces around the region have been trying to close the capability gap for a while but have been hampered by lack of funds. According to Forecast International, the current environment has fueled demand in the region, but funding remains an issue.

"Demand and funding commitments represent two opposite ends of the same pole," they said.

The growing tensions with China may change that thinking, as executives here report a significant number of requests for information floating around the region.

The Philippines, Vietnam, Malaysia, Indonesia, Brunei and Taiwan are all involved in territorial disputes with China in the South China Sea. Most, if not all, have MPA procurement plans.

Singapore, which operates old Fokker 50's, also can't be ruled out from a possible buy, said Forecast International.

The city state might even be a candidate for the P-8.

Saab also reckons submarines are posing a growing threat and estimates the Asia Pacific region will be home to more than 100 boats by 2020.

With the potential flashpoint with the Chinese as the backdrop, it's hardly surprising that much of the talk at the air show was about maritime patrol and anti-submarine warfare aircraft.

As ever, most of the talk went on behind closed doors, although Saab made a public splash by launching two new programs.

The Swedish company chose Singapore to announce it was taking a tilt at becoming a major league MPA player with the launch of turboprop and jet MPA platforms, both using its Swordfish mission system installed on modified versions of the Q400 airliner and Global 6000 business jet.

Armed with sonobuoys, Saab's RBS-15 anti-ship missile and a lightweight torpedo, the Global 6000 will be like a mini version of Boeing's 737-based P-8.

The company also gave more details about a new Global 6000 airborne early warning and control (AEW) aircraft product, which was part of a launch deal with the United Arab Emirates late last year. Aside from AEW, the system, known as GlobalEye, can simultaneously undertake land and maritime surveillance.

GlobalEye is a sign of the times. Many of the programs are coming in the shape of multi-mission aircraft as industry looks to meet customer demands to squeeze as much capability from a single platform as possible.

Previously the Swedish company has focused its main sales efforts in the MPA and AEW sectors on second-hand Saab 340 and Saab 2000 turboprops, both of which have been out production for years.

“Most customers in the MPA field have a preference toward new-build, in-production aircraft, and that is something we are addressing in this program. Also, we were looking for additional space and size of aircraft in order to fulfill all operational requirements,” said Joakim Mevius, the head of Saab’s Airborne ISR business unit.

“This is a significant step for us. We are sure [with the new platforms and Swordfish] we are able to provide high end strategic capability which is affordable,” he said.

Boeing had a big MPA presence here as well. Having already sold the P-8 jet to the US, Britain, Australia and India, Boeing had a machine at the show as it looks for regional customers that have the requirement and cash to buy such a high-end performer.

Competition is intense and rivals are numerous elsewhere in the MPA sector. For example, Elbit and L-3 both have Q400 developments of their own underway.

In addition to its Q400 work Israel’s Elbit, is developing a Bombardier Global 5000 MPA, pretty much going head-to-head with Saab’s product line-up.

From industry giants like Boeing, to Airbus with its CN-235 and C295 turboprops, through to industry minnows like RUAG, with the Dornier 228, companies have been here trying to drum up MPA business.

It’s a fragmented market and becoming more so as turboprop products are challenged by modified business jets to meet requirements.

So is this the beginning of the end for the maritime turboprop? Fernando Ciria, the marketing director for military aircraft at Airbus Defence & Space says not.

“We are keeping going with the C295 and CN235 turboprops. We think turboprops remain valid in most markets, offering a compromise of good transit speeds and good capability for loitering operations at low altitude ,low speed and low cost,” he said.

“Airbus is sticking with it’s turboprop maritime aircraft line while continuing to look at proposing the A320 family of jets on a case-by-case basis”, he said.

Mevius said interests vary according to the customers' needs.

“We have seen two distinct differences in our discussions with potential customers. There are those who prefer a jet solution and having the capability and performance to operate further out as well as closer to their shores. There are others who prefer a turboprop solution more focused towards operation closer to the coastline,” he said.

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