



CHINA SOUTHERN AIRLINES TO SET UP NEW BEIJING-BASED AIRLINE, XIONGAN AIRLINES

News / Airlines



China Southern Airlines intends to establish Xiongan Airlines in the Xiongan New Area, with operations beginning after 2018.

China Southern intends to make a total contribution of RMB10 billion by stages in cash amounted to RMB2.5 billion and by tangible assets amounted to RMB7.5 billion to establish the subsidiary.

The establishment of Xiongan Airlines in Xiongan New Area is beneficial for the better construction and operation of the Beijing Hub, and will further push forward the implementation of the strategy of 'Dual Hub of Guangzhou and Beijing'.

The move comes as the carrier, now headquartered in Guangzhou in the southern province of Guangdong, seeks to establish Beijing as a second hub to bolster its appeal to international air travelers, according to analysts.

"It has cost China Southern a lot to promote Guangzhou as a desirable hub for international air travelers. But among the three international hubs in China, Guangzhou still lags behind in the competition with Beijing and Shanghai for international air passengers," said Professor Shao Fengru with the China Academy of Civil Aviation Science and Technology.

"Its strategy of developing two hubs, one in Guangzhou and another in Beijing, could significantly

ease pressure on China Southern's business operations," Shao said.

China Southern Airlines, which already has a sizable presence in Beijing's Capital International Airport, broke ground on its hub in Beijing's second international airport in October. The new airport, under construction on the border of the capital's southern district of Daxing and Hebei's Langfang district, is just 60 kilometers (37 miles) from Xiongan and is expected to open in October 2019.

The Xiongan New Area was launched in April last year as a major special economic zone whose significance is on par with that of two other milestone projects in place for decades: the southern city of Shenzhen and Shanghai's Pudong New Area.

Xiongan was designed as a hub for high-tech research and development and government operations to relieve congestion and pollution in the Chinese capital, according to a blueprint for the new area released by Beijing last year. Several Chinese government agencies will relocate to Xiongan from Beijing once development of the new area is further along.

An express rail line from Beijing to Xiongan is also planned that will allow passengers to travel from the new airport to downtown Beijing in only 11 minutes and from the airport to Xiongan in only 20 minutes.

01 JULY 2018

SOURCE: CAIXINGLOBAL

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