LION AIR PLANNING CHINA FLIGHTS

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Lion Air aims to start flights to **China** next year, targeting a fast-growing market where business could make up 5-7 percent of the airline's revenue, senior executives said.

The airline didn't disclose a time-frame for its China revenue projection, but Lion Air, part of Jakarta-based Lion Group, is aiming for routes to Guangzhou, Shanghai and other cities in China, Lion Group's President Director Edward Sirait said. He said the carrier, which doesn't disclose revenue details, is now seeking flight clearance from Chinese regulators.

"One of the biggest countries for outgoing tourism is China. If we can get the route permits, 10 planes are not enough to serve those cities," Sirait said on the sidelines of a Lion Air ceremony to mark the delivery of a new Airbus A330-300.

Lion Air chief executive Rudy Lumingkewas said the carrier expects to take delivery of two more Airbus A330-300s by the end of this year.

Privately held Lion Air, founded by Indonesian tycoon Rusdi Kirana, derives the majority of its revenue from domestic flights and competes with carriers such as AirAsia and Garuda.

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In the second quarter, Indonesia, Southeast Asia's biggest economy, grew at its weakest pace in six years due to faltering consumer spending, rising unemployment and a slump in commodity prices.

Yet national demand for air travel is expected to accelerate next year, Sirait said, growing around 15 percent compared with 10-11 percent in 2015 after the government introduced economic stimulus policies.

Lion Air had previously planned an initial public offering to raise around 10 trillion rupiah (USD$732 million) in the first quarter of 2016, but Kirana said in June a listing is likely to be delayed due to weak market conditions.

The group is still reviewing its IPO plans and does not have any new timeline yet, Sirait said on Monday. "We are not convinced that if we sell our shares, they can be immediately absorbed by the market right now."

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