AIRCRAFT DEMAND EXPANDS IN ASIA PACIFIC TO LIFT BOC AVIATION PROFITS

News / Airlines, Finance



BOC Aviation, the aircraft leasing unit of Bank of China, has reported a 24 per cent increase in profit in the first half of the year as growth in travel boosts demand for planes.

Net income in the six months through June rose to US$212.2 million, compared with $171.5m a year earlier, the company said in a statement to the Hong Kong stock exchange on Monday. Sales gained about 8 per cent to $579.2m.

BOC Aviation started trading on the Hong Kong stock exchange on June 1 after raising $1.1 billion from a share sale, which attracted 11 cornerstone investors including Boeing, the sovereign wealth fund China Investment and Temasek's Fullerton Fund Management. The company is counting on growth in Asia as the region is set to overtake the United States as the world's largest market for aircraft in two decades.

Demand is expanding in Asia Pacific and "that's where the growth is", said BOC Aviation's chief executive Robert Martin. "Economies here are still growing faster than other parts of the world."

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Shares of the lessor have declined 9.3 per cent since their debut and traded at HK$38.10 before the earnings announcement on Monday. The Hang Seng Index has gained 9.6 per cent in the same period. The company will pay a dividend of HK$0.061.

BOC Aviation's customers include Vueling Airlines, Southwest Airlines, Aeroflot, EVA Airways, Cathay Pacific, Singapore Airlines' Indian affiliate Vistara and WestJet Airlines, according to the lessor's website.

The company had a fleet of 265 owned and managed aircraft with 64 customers worldwide at the end of June. It has commitments to acquire 218 planes through 2021.

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