

China Airlines Blossoms







Cargo accounts for some 40% of business for China Airlines.

ounded in 1959 by retired military officers, domestic charters were flown by two Consolidated PBY-5A Catalina amphibians. Shares in the fledgling airline were held by the Republic of China (ROC) government, which after the Chinese Civil War in 1949 had established itself on the island of Taiwan (or Formosa, as it was then known).

Domestic scheduled flights began in October 1962 using Curtiss C-46 Commandos. International service was inaugurated to Saigon [Sài Gòn]—now Ho Chi Minh City [Thành phố Hồ Chí Minh]—on December 2, 1966, using a Lockheed 1049H Super Constellation. Boeing 727s arrived in March 1967, and trans-Pacific flights to San Francisco began on February 2, 1970, with Boeing 707-300Cs.

The Seventies and Eighties saw huge economic development for Taiwan, and with it came increased demand for passenger and cargo air service. While China Airlines initiated new flights to the USA and Europe during this period, some countries, such as Japan and Malaysia, canceled air service agreements with Taiwan, when the United Nations officially recognized the People's Republic of China (PRC). Undeterred, CAL focused more attention on all-cargo operations, initiating service to Los Angeles, New York, and Luxembourg, among other destinations.

That decision served China Airlines well, as it is now one of the world's top cargo carriers. Today, the airline has 20 Boeing 747-400 freighters flying to nearly 40 destinations in Asia, North America, and Europe. A new cargo center is being constructed in Tokyo, and an operational hub has been established in Osaka (Kansai). "Cargo is an important part of our business," President Sun Huang-Hsiang tells *Airways*. "Approximately 45 percent of our business was cargo, but with the global economic downturn that has dropped to about 40 percent," he admits. Yet, to underscore the airline's ambitious goals, a new freighter route was recently opened: Taipei–Kuala Lumpur–Chennai–Luxembourg–Taipei.



President Sun first joined China Airlines in 1970.





A330-300s are deployed on regional routes, including cross-strait services. Four more are due within the next two years. More 737-800s are also expected. The plum blossom image was introduced in 1995.



China Airlines became a member of SkyTeam last September.

Through much of its early history, China Airlines had few competitors, but late in the Eighties, the Taiwanese government implemented a more liberal air transport policy. This led to the founding of EVA Air (Chángróng Hángkōng; BR/EVA—Airways February 2011 & December 1999), owned by the Evergreen International Corporation. A formidable competitor to China Airlines, EVA began operations in 1991. "Competition is good," Sun says. "EVA is good for us, because it means we have to work harder." Despite persistent rumors of a merger between the two airlines, Sun brushed aside the notion, saying the market is big enough for both. He adds that merging the two would be very difficult, given the differences between the carriers.

China Airlines found the Eighties and the Nineties particularly challenging times. If the prospect of increased competition was not enough, a spate of fatal accidents during those two decades—the last occurring in May 2002—tarnished an already blemished record. But with a renewed commitment to safety and quality, Taiwan's largest airline is soaring.

"The big change occurred after the 1998 accident in Taipei [involving a China Airlines Airbus A300-600R, causing the deaths of all 196 onboard and seven persons on the ground]," reveals President Sun. "We realized then that we needed to overhaul our safety management, and Lufthansa was brought in to assist in rebuilding our operations and maintenance structures." Sun, who wasn't with the airline at the time, adds that those reforms took three years to implement, and a lot of money was spent. "This was very helpful in transforming the way we do business. From the outside, I could see the positive changes that were happening. Those systems are still in place today, and we work very hard to ensure that safety is the priority."

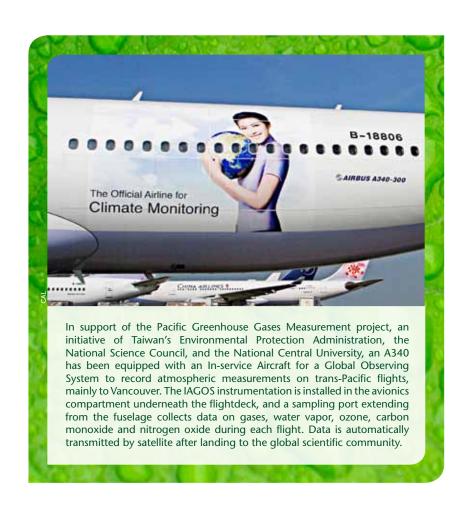
Sun's professional career with China Airlines began in 1970, when he started working in airport operations. Since then, he has held various positions with the Taiwanese flag carrier, including VP of the passenger sales and corporate planning divisions, and general manager of CAL's Europe and San Francisco branches. In 1996, Sun was seconded to lead Formosa Airlines, which later merged with Mandarin Airlines, a China Airlines subsidiary. He went on to serve as president of TransAsia Airways, and more recently as CEO of Shanghaibased Yangtze River Express Airlines. In 2008, Sun returned to his roots when he was appointed president of CAL. "My first job was with China Airlines, and I've been dedicated to the airline through much of my life, so it's an honor to lead the company," he says. "I take great pride in this job, but it's a heavy responsibility to make the airline better and better."

While politics between the PRC and Taiwan has long affected CALnot always in a positive way-Ma Ying-jeou, the current Taiwanese president, who came to office in 2008, has forged better relations between the countries. This has led to new air service agreements, allowing airlines from both sides of the geographical and ideological divide to offer more direct flights between the island state and the mainland. Currently, more than 40 cities in mainland China are served from Taiwan, and both China Airlines and the airport authority expect this number to grow.

Traditionally, passengers wanting to fly between Taiwan and China were forced to connect through Hong Kong, or even Macau. And while so-called 'cross-strait' services between the two countries are increasing, capacity is not yet adequate to meet the demand, and the majority of travellers must still connect via Hong Kong. In fact, between five carriers, including China Airlines, there are more than 40 flights a day between Taipei and Hong Kong, most of which are operated by widebody aircraft. CAL alone offers more than 150 flights a week to Hong Kong



The A350-1000 and 777-300ER are contenders to replace the 747-400 passenger fleet.



from three Taiwanese cities, and despite the competition, it believes there is still plenty of opportunities for growth, not least because more people from Hong Kong are visiting Taiwan.

"We are well positioned to cater to these new developments, because we are based here and we know Taiwan best," claims Sun. "Most of the Chinese airlines are currently using narrow-bodies, while we employ bigger aircraft. We are currently carrying about 30 percent of the cross-strait traffic, with just 20 percent of the frequency." To cope with demand to the PRC, CAL will lease more aircraft within the next two years, including four Airbus A330-300s and between five and eight Boeing 737-800s.

Currently, CAL's longest route is to New York, with a stop in Osaka replacing Anchorage, Alaska, as an intermediate point, flown with a 747-400. This revision gives China Airlines three additional flights a week from Taipei to Japan, along with fifth freedom rights to carry passengers between Osaka and New York.

China Airlines is also seeing growth in the Japanese and South Korean markets, adding 28 more flights to Japan in 2012, including three new routes, as air service agreements between Taiwan and Japan are liberalized. In total, CAL serves 12 destinations in Japan. Service between Taipei's city airport, Songshan, and Seoul-Gimpo, has also been inaugurated, along with more flights between Taipei-Taoyuan and Seoul's award-winning Incheon gateway.

Meanwhile, although the airline is expanding in

northeast Asia, there are no plans to increase service to Europe and North America until new long-haul types are acquired. "The 747 is not advantageous because of high fuel costs," notes Sun. "We won't decrease our long-haul routes, but we hope by 2015 we will be in a position to pick up expansion."

In 2008, the airline signed an order for 14 A350-900s, which are anticipated for delivery in 2016. A decision will soon be made about a 747 replacement. "We will have new long-range aircraft within five years," Sun tells *Airways*. "We are considering both the 777-300ER and the A350-1000."

The fleet has been simplified in recent years by replacing A300s with A330-300s and 737-800s for regional routes, while the A340-300 and 747-400 are assigned primarily to long-haul services. However, on high-volume routes, such as Shanghai, Beijing, and Shenzhen, the airline operates the 747 during the day, while making it available for late-night flights from Taipei to the USA.

China Airlines recently embarked on a cabin refurbishment program for its 747-400s. Premium services are very important to CAL, but Sun concedes that Taipei does not generate as much high-yield traffic as Hong Kong or Singapore. "I believe we will begin to see an increase in the proportion of business traffic," he says. "We are also considering a premium economy service, for which we anticipate strong demand." CAL's service enhancements extend beyond airplane cabins, with complimentary bus service in



Created in 1991 to operate to countries such as Australia and Canada, which adopted a One China diplomatic policy, thus not recognizing Taiwan, Mandarin Airlines subsequently took over Formosa Airlines. With a fleet of ERJ 190s, Mandarin Airlines links domestic points with Taipei-Sunshang and flies regional routes. Its 'AE' designator is also used by China Airlines to operate cross-strait services

Fast Facts—China Airlines Co 中華航空股份有限公司

(Zhōnghuá Hángkōng gōngsī) [Huáháng]

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Taiwan

Republic of China

Website: www.china-airlines.com

Network

Domestic: Kaohsiung, Taichung^(AE), Taipei (Taoyuan & Songshan) **PRC**: Beijing, Changsha^(CI), Chengdu, Chongqing, Dalian, Fuzhou^(AEx), Guangzhou, Haikou, Hangzhou^(CI-AE), Hong Kong, Nanchang, Nanjing^(CI), Ningbo^(CI), Qingdao, Sanya, Shanghai (Hongqiao & Pudong), Shenyang^(CI), Shenzhen, Wuhan, Xiamen^(CI-AE), Xi'an, Yancheng^(CI), Zhengzhou^(CI-AE)

Asia: Abu Dhabi^(F), Bangkok, Chennai^(F), Chiang Mai, Delhi, Denpasar, Fukuoka, Hanoi [Hà Nội], Hiroshima, Ho Chi Minh City [Thành phố Hồ Chí Minh], Jakarta (Soekarno-Hatta), Kagoshima, Kalibo^(AE), Kuala Lumpur, Manila, Miyazaki, Nagoya, Okinawa (Naha), Osaka (Kansai), Penang, Phnom Penh, Phuket, Sapporo, Seoul (Gimpo & Incheon), Shizuoka, Singapore, Surabaya, Tokyo (Haneda & Narita), Toyama, Yongon

Americas: Anchorage^(F), Atlanta^(F), Chicago-O'Hare^(F), Dallas/Ft Worth^(F), Honolulu, Houston (IAH)^(F), Los Angeles, Miami^(F), New York (JFK), San Francisco, Seattle^(F), Vancouver

Europe: Amsterdam, Frankfurt, Luxembourg^(F), Manchester^(F), Milan [Milano]-Malpensa^(F), Prague [Praha]^(F), Rome [Roma]-Fiumicino, Vienna [Wien]

Oceania: Auckland, Brisbane, Guam, Koror, Sydney

(AEx) served by Mandarin Airlines under AE & CI flight numbers served by Mandarin Airlines under AE flight numbers

(CI-AE) served by CAL aircraft and crews under AE flight numbers (CI-AE) served by CAL aircraft and crews under AE flight numbers (TPE) & Mandarin Airlines under AE flight numbers

(F) cargo service only

Global alliance: SkyTeam

Code-shares: Air France-KLM Royal Dutch Airlines (KL), Alitalia (AZ), China Eastern Airlines (MU), China Southern Airlines (CZ), Czech Airlines (OK), Delta Air Lines (DL), Deutsche Bahn (ICE), Garuda Indonesia (GA), Japan Airlines (JL), Korean Air (KE), Mandarin Airlines (AE), Shanghai Airlines (FM), Thai Airways International (TG), Vietnam Airlines (VN), Virgin America (VX), Xiamen Airlines (MF)

FFP: Dynasty Flyer

Traffic (2011)

Passengers: 9.6 million Cargo: 627,677t (1,384,000lb) RPKs (millions): 31,798 ASKs (millions): 40,773 Passenger load factor: 78.0% FTKs (millions): 5,670 ATKs (millions): 8,076 Cargo load factor: 70.2%

Revenue (millions, 2011, % vs 2010): TWD132,296 (-4.2) (US\$4.410)

Founded: December 16, 1959 Start date: January 1960 Chairman: Chang Chia-Juch President: Sun Huang-Hsiang

Ownership: China Airlines Group (China Aviation Development

Foundation)

Employees: 10,670

Subsidiaries & joint ventures: CAL-Dynasty International (100%), Dynasty Properties (100%), Dynasty Hotel of Hawaii (100%), CAL-Asia Investment (100%), Hua Hsia Co (100%), Freighter Queen (100%), Freighter Prince (100%), Freighter Princess (100%), Taiwan Airport Services (Samoa) Co (100%), Yestrip Co (100%), CAL Park (100%), CAL Hotel (100%), Mandarin Airlines (AE) (93.99%), Abacus Distribution Systems Taiwan (93.93%), China Pacific Laundry Services (55%), Taiwan Air Cargo Terminal (54%), China Pacific Catering Services (51%), Dynasty Holidays (51%), Taoyuan International Airport Services (49%), Taiwan Airport Services Co (47.35%), Global Sky Express (25%), Yangtze River Express Airlines Co (Y8) (25%), China Aircraft Services (20%)

Fleet (average age 9 years)

Туре	Nº	Seats	Engines
Airbus A330-302	14	C36Y277	GE CF6-80E1A4
Airbus A330-302	6 ^	C30Y277	GE CF6-80E1A4
Airbus A330-343E	2 *	C48Y265	RR Trent 772B-60
Airbus A340-313X	6	C30Y246	CFMI CFM56-5C4
Boeing 737-800	10	C8Y150	CFMI CFM56-7B-26
Boeing 747-400	4	F12C64Y314	PW PW4056
Boeing 747-400	9	F14C64Y319	PW PW4056
Boeing 747-400F	20 **	Freighter	GE CF6-80C2B1F

[^] 3 leased from ILFC; 3 leased from Guggenheim Aviation Partners

On order

Airbus A330-302	4	due 2012 (2), 2013, 2014
Airbus A350-900	14	due 2016-2019

^{*} leased from Virgin Atlantic Airways

^{** 2} parked



The headquarters of China Airlines at CAL Park.

New York, San Francisco, and Los Angeles to and from selected points.

While China Airlines says that it is cautious about growth, it does want to develop Taiwan Taoyuan International Airport (IATA: TPE; see separate story page 46) into a transit hub for customers travelling between China, Southeast Asia, Europe, North America, and Australia, and believes that the airport is well suited geographically to offer convenient connections between continents.

The immediate challenge is that TPE trails other air travel hubs in the region; for example, Hong Kong, Seoul, and Guangzhou. To his credit, President Ma of Taiwan is committed to bolstering the fortunes of the country's main international gateway, and developing an aviation city at Taoyuan International Airport. "Government has been pouring a lot of money into the airport, but people need to understand that an airport's infrastructure and operations are vitally important to the wellbeing of the airline business," explains Sun. "It's hugely important. If a new airport hadn't been built in Hong Kong what would that have done to Cathay Pacific and the business of Hong Kong?"

The first step in this bold vision was encouraging China Airlines to move its headquarters from central Taipei to the airport. Known as CAL Park, the \$150 million complex opened in 2010, and houses an operations center, crew training center with six flight simulators, and the 360-room Novotel. The four towers making up the park are each taller than the next, designed to reflect steady progress, step by step. It is an appropriate metaphor given the advances that China Airlines has made over the past decade.

"I'm proud that for more than 50 years China Airlines has grown with Taiwan," declares Sun. "We know there is room to improve, but we are committed to providing a safe and reliable experience for our passengers, while offering excellent service. We want to be the best, not only in Taiwan, but also in the region."

A decade ago, no-one would have believed such lofty ambitions were achievable. But step by step China Airlines has grown into one of Asia's leading airlines. >

Fast Facts—Mandarin Airlines 華信航空

(Huáxìn Hángkōng)

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Website: mandarin-airlines.com

Network

Domestic: Hualien, Kaohsiung, Kinmen, Makung, Taichung, Taipei (Sungshan), Taitung

Asia: Hanoi [Hà Nội], Ho Chi Minh City [Thành phố Hồ Chí Minh], Hong Kong, Macau, Seoul (Incheon), Wenzhou, Wuhan, Xiamen, Zhengzhou

Additional cross-strait services are flown by Mandarin Airlines under CI flight numbers

Code-shares: China Airlines (CI), China Eastern Airlines (MU), China Southern Airlines (CZ), Shanghai Airlines (FM), Xiamen Airlines (MF)

Founded: June 1, 1991 Start date: August 1991 Chairman: Wang Harris H Y President: Chen Min Tang

Fleet (average age 4.2 years)

Type № Seats Engines
Embraer ERJ 190-100 IGW 8 Y104 GE CF34-10E5

all leased from GECAS

Business Flyer: China Airlines

by Ken Donohue



Route: Vancouver, British Columbia (IATA: YVR)—

Taipei, Taiwan (TPE)—Los Angeles, California (LAX)

Aircraft: Airbus A340-300 & Boeing 747-400

Check-in at Vancouver was quick and efficient. There was a dedicated counter for business class passengers, as there was for those who had checked in online. An agent was very helpful in directing customers to the appropriate queue.

nce through security, I retired to the Plaza Premium Lounge, which CAL shares with several other airlines. The lounge is spacious, and a bank of windows affords an expansive view of airside operations. On offer are the usual drinks and snacks, along with hot meals, nap rooms, and showers. Given that few flights were operating at this time of day, there were only a handful of guests, which facilitated a restful experience.

At the gate, a separate 'Sky Priority' lane was available for business class. This is a recently introduced benefit program for all 15 SkyTeam alliance members (China Airlines became one in 2011) designed to provide a consistent experience for premium-level customers.

Upon boarding I was warmly greeted by name by smartly attired flight attendants, and my jacket hung in a closet. As I settled into seat 2K, I was provided with an amenity kit and slippers, and offered a wide selection of local and international newspapers and magazines, along with juice and water. Menus offering a selection of drinks and dinner and breakfast options were also distributed.

With six occupants of business class and 136 in the economy cabin, we pushed back on schedule at 0210. Except for a Cathay Pacific flight scheduled to depart for Hong Kong 30 minutes later, there was little activity as we taxied to the other side of the airport for Runway 08R, the one most often used for departures.



Captain Duke Liu, Purser David Lee, and a charming crew operating from Vancouver to Taipei.





Crab cake appetizer and dessert platter.

At 0230 we soared aloft into a cloudless sky. The near-full moon cast a dazzling light on the Strait of Georgia and Fraser River as we first headed east over Richmond, before turning south. Momentarily in US airspace, the A340 set course to the northwest and across Vancouver Island for the 12-hour flight to Taipei.

There were six wines on offer, and I stated my preference for the Chianti. A few moments later the cabin attendant returned to advise they had run out of the Italian red, so I asked for a French one instead. The purser later apologized for not having my first choice. A small dish of mixed nuts was offered before dinner.

The starter of crab cake and Kabayaki eel was exceptional, as was the main dish—fried rice and chicken—though the garlic bread was a little dry. A dessert platter consisting of tiramisu, two slices of cheddar cheese, strawberry, and mango was served without delay.

Having enjoyed the culinary delights, I reclined my seat and closed my eyes. When I awoke after about five hours, we were traversing northern Russia. The purser asked if I would like a ham sandwich or Chinese pork bun. I chose the latter, and was not disappointed, enjoying the tasty snack while checking out the audiovideo on demand in-flight entertainment system, which offered a wide selection of movies, music, games, and other programs.

About two hours before landing, I had a delicious breakfast of fresh fruit, yoghurt, and goat cheese frittata with turkey sausage; a Chinese breakfast was also offered.

During our descent, we crossed over the northern tip of Taiwan, with its verdant fields, and at 0545 the A340 touched down on Runway 05 at Taiwan Taoyuan International Airport, 15 minutes ahead of schedule. Immigration and customs formalities were quick, as we were one of the first aircraft to land that morning, arriving shortly before flights from Los Angeles and San Francisco.

At Taipei, departing business class passengers can access the Sky Priority counters. First class travellers and Paragon members, the highest status in CAL's frequent flyer program, check-in at a comfortable lounge in the hall of TPE's Terminal 2.

CAL's first class and business lounges are located on the first and ground floors, respectively. The latter was a disappointment. Given that China Airlines is Taiwan's largest airline and that Taipei is its home base, I expected a showcase. While CAL does offer an onsite kitchen from which passengers can order hot meals, along with shower amenities (which I availed myself of before the long trans-Pacific flight), the long, narrow lounge felt cramped. There were no windows to the outside.

Our scheduled boarding time was 1600, but an announcement was made that boarding would be delayed for 20 minutes because of a ground handling issue. An attendant personally told me the new boarding time.

I found my seat, 9K, on the upper deck. As on the eastbound flight, juice and water, and a selection of newspapers and magazines, were offered. The accompanying mixed nuts came in their original packaging, instead of a dish.

The 747 pushed back at 1710, 30 minutes behind STD. On a rainy evening, we took off on Runway 05 for the 6,650mi (10,700km)-long journey that would track about 250mi (400km) east of Japan before arcing across the Pacific for California. Once airborne, the captain made an announcement with the weather forecast for Los Angeles, apologized for the delay, and said they would try to make up lost time.

Cabin attendants soon came through with drinks and dinner menus. One said to me, "I hear you like the Chianti wine. I'll bring that to you in a moment." Astounded that this information had been passed along, I asked, "How do you know?" With a smile, she replied, "It's a secret."



Starter for CI006.



China Airlines, along with other members of SkyTeam, offers 'Sky Priority' check-in at TPE for business class customers.

Soon, a glass each of Chianti and Taiwanese Kavalan whisky, which I asked for as well, were sitting on my table next to the first of two starters. The raw salmon wrapped delicately around a pastry roll was delicious. Equally so were the thin slices of peach, layered between Cajun chicken, which sat atop a bed of spicy crab claw—an excellent combination of flavors.

This particular refurbished CAL 747-400 (Version 5) had 12 first class seats in the forward section of the aircraft, with 25 business class seats aft, a 24-seat business cabin on the upper deck, plus 319 economy seats on the main deck. On this flight, 36 passengers were travelling in business; economy was full.

'Shell' seats were installed in business class. While these offer more privacy between rows, the seat was not overly comfortable for sleeping because the large metal

footrest did not extend. I'm not sure if this was because I was seated in an exit row, but it was uncomfortable for my 5ft 8in (1.73m) frame. In comparison, the business class chair on the A340-300, while not a truly lie-flat model, was much more comfortable.

After dinner, I napped, waking to a plate of grapes, cheese, and crackers placed on the armrest.

We descended into the LA basin, passing east of Santa Barbara and overhead the hills around Malibu before over-flying downtown, with the iconic 'HOLLYWOOD' sign visible in the distance. We made a 180-degree turn and lined up for Runway 24R. Touchdown was at 1330, followed by a long taxi to the Tom Bradley International Terminal and then a wait at the gate for a tug to pull us in. Because we were about 20 minutes late, those of us with tight connections were given a special card to bypass the line at immigration.

Overall impression

China Airlines provided excellent service. The food was delicious and well presented, and flight attendants very attentive. We were kept informed during the slight delay out of Taipei, and updated with announcements from the flightdeck. While space may be an issue at Taiwan Taoyuan, CAL's premium lounge in Terminal 2 needs to showcase the airline. At present it doesn't. >