

Hong Kong will remain important for leasing: AFJ China

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Hong Kong is destined to remain an international aircraft leasing hub despite political turmoil and Covid-19 disruption, panelists have told *Airfinance Journal's* China 2020 virtual event.

"Some players are thinking about international expansion, and Hong Kong is still the first choice. As a new market and hub, maybe Hong Kong will face some slow growth in the coming future, but I'm certain that it will be growth," says Johnny Lau, chief consultant of PwC aviation business services.

Li Gang, chief executive officer of Dragon Aviation Leasing, notes also Hong Kong has an important role to play in the current environment of Sino-US tension.

"This year we did notice that new policies have been implemented in Hainan and also the greater bay zone, which has connected the whole area around Hong Kong," Lune Wang, director and deputy general manager of Comsys (Tianjin) Leasing says, noting that Hong Kong still has its advantages in tax benefits, financing resources and infrastructure.

Panelists also shared opinions about Chinese lessors leaning towards their domestic market under Covid-19.

"In the short term, we will probably see heavier concentration by Chinese lessors into Chinese airlines, but in the long run, they will return to more spread-over concentration model," says Li.

"Big lessors in China all have strong support from their parent companies, and financing sources are in a bigger amount in equity than debt, which provides more liquidity and flexibility for them to do financing arrangements in the crisis environment," says Wang.

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