

## New Trade Link To Chinese Economic Powerhouse Opens Via Heathrow

Tuesday 25 April, 2017

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- Beijing Capital Airlines will launch a new route from Heathrow to Qingdao during the summer season, the home of Confucius and Tsingtao beer
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Heathrow has today confirmed that Beijing Capital Airlines will launch a new direct service from the UK's hub airport to Qingdao, the home of Tsingtao beer and one of the fastest growing cities in China. The new route will connect passengers and cargo directly from Heathrow to Qingdao for the first time, providing three direct services every week starting this summer.

The new route has been put in place following the UK and the Chinese Governments' successful negotiation last year to significantly increase the number of permitted flights between the two countries. The new agreement also lifted previous restrictions limiting airlines to serving 6 destinations in each country, opening up the potential for more trade with a host of Chinese powerhouse cities. The new route to Qingdao will provide nearly 70,000 extra seats every year for passengers travelling to and from China and provide nearly 4,000 tonnes of new cargo space for British exports to the Shandong province, an economic powerhouse of China with a population of nine million people, similar to London's.

China is now the world's largest economy and its megacities offer a huge and expanding market for UK business. Qingdao has been ranked as a 'golden city' by the World Bank, due to its investment climate and is a major port, manufacturing base and home to Tsingtao, the best-known Chinese beer export.

With this new service, Heathrow will have direct connections to four cities in mainland China (Beijing, Shanghai, Guangzhou and Qingdao) - but there are 10 others that can be flown to from EU rival hubs. As well as benefitting from additional routes, Germany exports over \$29 billion of goods to China by air, compared to the UK's \$4.6 billion. Today's announcement of an additional direct route from Heathrow to China provides the opportunity and extra capacity for UK businesses to be able to compete more effectively with European rivals.

This announcement follows seven years of engagement between Heathrow and Beijing Capital's parent company, Hainan Airlines Group. In 2014, the Chinese ambassador wrote to then Prime Minister, David Cameron, calling for Heathrow expansion, arguing that expansion at the UK's hub was required to facilitate more routes and increased frequency of direct flights between China and the UK - flights airlines argue are not sustainable from point-to-point airports, which rely on local demand alone to make routes viable.

### Heathrow CEO John Holland-Kaye said:

'As the UK's gateway to the world, we are delighted to welcome Beijing Capital Airlines and the tremendous, previously untapped opportunities of the Qingdao market for British business. In the future, the UK's ability to trade in the world will rely on direct access to new, expanding markets like these. But this is only the start. With expansion, Heathrow will provide British exporters access to up to 40 new long-haul destinations across the globe - including more Chinese cities- and send a powerful message that Britain is open for business and our future is stronger as a global, outward looking, trading nation.'

### Xu Jun, CEO of Beijing Capital Airlines said:

'We are pleased and honoured to have this chance to strengthen the connection between the UK and China. This new route will offer more convenient and comfortable travel service to citizens in both countries than any previous experience flying from Heathrow to Qingdao. And it also will be a starting point for us to continually increase the UK's transportation capacity and further expand the UK tourism market. With the launch of the Heathrow route, we hope to contribute to the economic and culture exchange for the benefits of both countries.'

--ENDS--

Notes to editors:

## About Beijing Capital Airlines

Beijing Capital Airlines operates mainly in China (including Hong Kong, Macao, Taiwan), focusing on international air passenger service and cargo transport operations. It has the largest and youngest airbus aircraft fleet in China. Capital Airlines has 18 A319 planes, 35 A320 planes, 11 A321 planes and 6 A330 planes. Since its establishment, Capital Airlines has opened more than 200 travel routes including 45 international routes. Capital Airlines has set up the Sanya branch and overnight bases in Beijing, Guangzhou, Xi'an, Haikou, Qingdao, Hangzhou, Nanjing, Shenyang, Lijiang and has preliminarily built a regional airline network out of Beijing.

From summer 2017, Heathrow will fly to four Chinese destinations:

1. Beijing
2. Guangzhou
3. Qingdao
4. Shanghai

There are 10 Chinese destinations served by European airports that are not served by Heathrow:

1. Chengdu
2. Hangzhou
3. Kunming
4. Nanjing
5. Shenyang
6. Shenzhen
7. Wuhan
8. Xiamen
9. Xi'an
10. Changsa

According to the UKTI, China is the great economic success story of the past 30 years and is now the world's largest economy and a huge and expanding market for UK business.

HM Revenue and Customs, Overseas Trade Statistics show China is the 6 largest trading partner with the UK. With over £11 billion carried out in trade between January and October in 2016.

Heathrow welcomed 1,151,00 passengers flying to and from Chinese destinations in 2016. This is an increase of 7.3% over the previous year.

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