

The advantages of access to business jets yet to be widely recognised

A perception in the region that business jets are the preserve of the rich and famous is changing as a broader range of corporate clients comes to appreciate cost-efficient options for the use of executive aircraft.

Prithpal Singh, CEO of Executive Jets Asia (EJA), says practical demands for its Seletar-based fleet of executive jets is driving the business from individuals and organisations who appreciate the benefits of such aircraft access, but do not yet necessarily need outright ownership.

EJA offers both fractional and charter options on its aircraft, and Singh admits that the charter business has been predominant, and which is set to open up the business significantly in future.

He says: "Our customers so far have opted for ad hoc charter use of our aircraft, but we are optimistic that increased and continued exposure to the benefits of business aviation will convert some of these customers when their level of requirement makes part ownership of an aircraft economically sensible.

"An advantage that potential fractional owners are considering is the deployment of their aircraft on a commercial basis when it is not required for their own use, as they receive a share of nett income for this third-party use of their asset."

EJA's fleet currently comprises a Cessna Citation VII, Hawker 800XP, Gulfstream Westwind I and Cessna 500; the latter two aircraft now permanently configured for medical evacuation because of demand for this service, which has led to the formation of a specialist subsidiary business, Flying Doctors Asia.

Comments Prithpal Singh: "Although the recent economic landscape might have impacted on travel budgets by some members of the financial community, the boost in commodity prices has seen a significant rise in our charter business from companies in agricultural and mining sectors, so we are confident there is enough resilience in the broad economy to be optimistic about future growth.

"The Medevac business, of course, has grown so much it warranted the conversion of two aircraft for permanent air ambulance operations."

A board member of the Asian Business Aviation Association, and commercial pilot himself, Singh says greater exposure to the economic and practical advantages of executive jet use will help to break through the barrier, which the sheer dominance of the commercial



airline business in Asia has created.

He says: "With such a concentration of commercial airlines, governments and institutions have had little chance to give business aviation sufficient attention. Things are changing now but problems and impediments to further growth in the business-aviation industry in Asia still persist and need to be addressed.

"One major problem, for example, is the lack of attractive financing to purchase executive jets. Many Asian financial institutions do not understand business aviation and how to finance purchase of executive jets. They lack the know-how in determining aircraft valuations and depreciation issues, and how to collateralise business jets in a way which would allow them to offer attractive and creative financing options.

"But overall the signs are encouraging and this augurs well for business aviation in the region. What is really needed now is for the subject of business aviation to come to the forefront in Asian aviation circles: Civil aviation authorities, government policy-makers, aviation conference organisers and the private sector need to examine ways to grow business aviation in a coordinated way and to create a more business aviation-friendly environment.

"Developments for this sector at Seletar Aerospace Park are, of course, a major step in the right direction."

Singh concludes: "After all, if Singapore and the region's phenomenal success story in commercial aviation is such a lesson for the rest of the world, imagine the great strides that can be made in business aviation." ■



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