



EXECUJET

APAC growth still a go

Contributor **Benn Marks** speaks with Darren McGoldrick, vice president for Asia-Pacific at ExecuJet, about the state of business aviation in the region now, and how it might change in the future.

AAV: *What is the current state of the business aviation industry in the APAC region, and do you believe the current slowdown in the Chinese economy and the country's current trade war with the US is impacting the industry?*

DM: For us, the market is still slow in China. We're not seeing a lot of activity. That said, we did place another aircraft into our management fleet last year, which is for a China-based client. The aircraft is based in and rotates through China, Australia and Europe. Generally, I think the market is quiet, although Southeast Asia is still pretty buoyant and there's still activity there. We've got some new prospects emerging in that part of the world, but the handbrake's on with China.

AAV: *Do you believe you currently have enough FBO infrastructure and services capability in place in the APAC region to cater to customers currently based in the region, plus those passing through it — as well as the anticipated growth in business aviation traffic over the next five to 10 years?*

DM: We have FBO facilities in Sydney, Melbourne, Wellington and Bali. We are certainly keen to expand our FBO footprint in the APAC region and will continue to look for opportunities to do this. Some of this expansion will most likely have to be in the emerging markets of the region to cater for new customers.

AAV: *As a leading private aviation jet company in the APAC region, what are some of ExecuJet's plans for Australia and the broader APAC region over the next five to 10 years?*

◀ *Darren McGoldrick, vice president, Asia-Pacific, ExecuJet Asia Pacific.*



DM: Further expansion of our operations within the APAC region is one of the key aspects of our global growth strategy. In the short term we see the further development of our three main hub locations in APAC — Singapore, Hong Kong and Sydney — to cater for our aircraft management and charter business as well as look to develop further FBOs throughout the region. Over the last 12 months our Singapore office has expanded quite a bit. We've created a regional dispatch and CAMO team which is based out of Singapore to complement our Australian-based team. The team look after our APAC aircraft; there's 25 aircraft we're operating. They look after all aspects of dispatch, flight planning and airworthiness for our region. They're also closer to the action, they're closer to the crews, and we have all the relevant language skills for the region in that team. It runs a full 24/7 operation. We have also increased our key account managers in Hong Kong and Singapore. This expansion has been to not only meet the current demands but to set us for future growth.

AAV: *Is there a higher demand or preference for certain services in your company portfolio of capabilities in some APAC countries compared to others and what are some of the reasons for this?*

DM: The request for full services aircraft management is more

prevalent in Asia than in Australia where the majority of aircraft owners select various support services but want to run their own flight departments. We find that the demand for charter services however tends to be higher in Australia than in Asia. Some of these differences are due to the availability of services and the maturity of the different markets.

AAV: *What are the rates of new versus pre-owned business aircraft acquisition like in Australia with owner/operators? Do owners/operators have a preference for new aircraft over preowned when it comes to replacing fleet aircraft?*

DM: It's a steady state. Australia is always just a 'steady as she goes market'. We don't get flooded with new entrants coming in, but there's always movement in the market. The Australian market has traditionally been a pre-owned market for new owners. Buyers are looking for a lot of aircraft at a good value. With new aircraft models coming into service we are seeing existing owners upgrade and move into the next-generation aircraft. We've had a couple of clients that were new entrants to the aviation industry, that were pre-owned buyers, and we're managing their aircraft and that's going well for them. The market in Asia was dominated by new aircraft purchases in the past, however we are now seeing a



WOMEN IN AVIATION

SPECIAL SUPPLEMENT

Asian Aviation Magazine is dedicating a special issue to the topic of "Women in Aviation" and we want to hear from companies in the industry that are passionate about promoting gender diversity from the cockpit to the c-suite to the shop floor at MRO facilities.

The issue of gender diversity and promoting more women is not just the right thing to do, but as every forecast shows, the aviation industry will need hundreds of thousands of new pilots, MRO specialists, as well as flight crews to handle the explosive growth in Asia over the next 20 years and those positions will go unfilled without more women in the workplace.

We want to hear from companies that have in place programmes to develop gender parity and encourage more women to join the aviation industry. As part of this special issue, we invite your company to submit an article for publication in the July/August issue of *Asian Aviation*.

The article that we invite you to contribute should be no more than 600 words — which is a standard printed page — and should take the form of a description from your CEO or officer responsible for gender issues.





much stronger interest in the pre-owned market. Some of those new aircraft buyers are now moving out of their aircraft which has created a supply of pre-owned aircraft which new entrants to aviation are considering.

AAV: *With Dassault Aviation's recent acquisition of ExecuJet's MRO capability worldwide, what effect will this have on ExecuJet's service capability in the APAC region?*

DM: We were already two separate businesses, maintenance and aviation services, so that part is rather easy. The MRO part of the business will be owned by Dassault Aviation and ExecuJet Aviation Services will be owned by the Lux Group. The maintenance business will be known as ExecuJet MRO Services and Dassault will keep that branding. They want to be a multiple-OEM service provider, and in the regions we operate I think that's a smart move to be able to service the clients. It's also well established and hopefully that'll continue for all the OEMs. Outside of that, it also develops a relationship on our side a little more with Dassault. Dassault will be aiming to sell more products and that gives us more opportunity to manage the aircraft or more movements for the FBOs. So, we'll work with them like we do with all manufacturers and their sales teams. I think from Dassault's point of view it gives them a network, a platform, the ability to sell more aircraft, and I think that gives them a presence in markets that weren't there previously. We don't see any impact to our customers. We will continue to supply the aircraft management, charter and FBO services and work with the ExecuJet MRO Services for maintenance support of our managed fleet as we do today.

AAV: *What does your client demographic consist of in Australia and is that demographic consistent throughout other APAC countries that fall under your purview?*

DM: Our charter clients are ultra-high net worth individuals, some are corporate, and we get quite a bit of inbound tourism as well; so our clients really do cover the whole spectrum. Likewise, on the aircraft management side of the business, our aircraft owners fit into those various categories. The age demographic of clients is changing as is the profile of the client. Wealth is being created in new industries now dominated out of the IT sector whereas clients previously came from traditional industries.

AAV: *What categories of business jets in your managed aircraft fleet in Australia are most popular with clients and why? And do these reasons apply to other APAC countries where ExecuJet has fleets of managed aircraft for charter?*

I think as an industry we've got a whole new customer demographic coming in and we have to cater to them. We have to try to understand who they are, how they'll act and what information they'll want.

**DARREN MCGOLDRICK,
EXECUJET ASIA PACIFIC**

DM: For the ones that are based in Australia that have a need to travel, I still think long-range aircraft are going to be the main market. If they want to travel internationally, they'll want the longest-range capability they can get. So the long-range products from the OEMs will be appealing as they are today. Hopefully we'll start to see resurgence in the smaller aircraft market as well, and then we'll get more domestic flying because that area's been rather quiet. And again, those types of aircraft into the market become more appealing for people for charter as they offer a lower price point...inbound tourism want a mix of aircraft types. Some want the large cabin space or have a requirement to take a group of passengers.

AAV: *In what ways do you think the aircraft charter and management side of ExecuJet's business ops will change in the future?*

DM: We need to evolve to the changing needs of clients as well as understand that there will be new clients with new and different needs as we go into the future...Just recently, the whole management team discussed some of the major elements of our business, such as the customer experience, and all the touch points with customers, and what we need to do to cater to them. So that's about understanding who our customers are today, who they'll be in the future and how they'll be different and how we've got to cater to their different needs and the marketing of our services to them. I think as an industry we've got a whole new customer demographic coming in and we have to cater to them. We have to try to understand who they are, how they'll act and what information they'll want. So

we'll probably go from a group of customers who are very private and traditional in how they operate, to a younger demographic who are very social and who want to share their experiences with their friends. It's all 'Instagrammable' now, so how do we deal with that going forward. We're not in a retail consumer goods market where everyone's online and it's all very social media-oriented. But that next group of customers coming through is very social media conscious and they'll have an expectation of how we deliver them information, and how we deliver them the services they want. So that's changing and I think the whole industry has to prepare for that. For example, some companies are starting to look at how we deal with an Uber-type situation in aviation. There are all these things that are commonplace now in other parts of our lives, but how do we adapt to that when it starts to arrive in business aviation. You see it now in the helicopter industry, in how people use them to travel quickly. The products people will want in the next five to 10 years will be different, therefore, we as an industry including the regulators will have to change. There's a lot that needs to be investigated and you constantly need to adapt to the market. →