

China's Exciting BizAv Market

While it's had its challenges lately, the Chinese Business Aviation market grows increasingly sophisticated. But what is it like to operate there today?

With over a decade of experience operating in Asia-Pacific, Global Jet's David Mezenen speaks to Rani Singh...

To understand the business jet market in China, one needs to "look at the fundamentals and also think long-term", notes David Mezenen, Business Development Director, Asia-Pacific for Global Jet. "Currently, China represents a mere 2% market share for the total number of business jets worldwide, yet it has 20% of the world's human population. Thus the potential market for business jets is still very much underdeveloped, compared to the US and Europe.

"No doubt the fundamentals point to a slowdown in this so called 'economic miracle' but

unlike many developed economies around the world, China is forecast to grow. A sure sign that the Business Aviation market is beginning to mature a little is the evidence of a used aircraft market beginning to emerge within the country."

It hasn't always been this way, however. Initially, as the market was opening up around the start of the decade, the Chinese - just like any other emerging nation - tended towards the fastest, the biggest and the best of everything, and a private jet is indeed an impressive piece of kit!

"Gradually we have seen that buyers have become more prudent and are developing an



DAVID MEZENEN



Rani Singh writes about aviation. A sought after Journalist and author she also reports on news, foreign affairs, politics and business with the world's largest news organization.



“These are the jets that enable the Chinese business traveller to fly in comfort, without a fuel stop.”

understanding that flying privately is good for business, if managed properly,” Mezenen elaborates. “The demand is for long-range, wide-body aircraft for the time being, but we expect that will change as infrastructure develops and operating restrictions are relaxed.

“With clients becoming more experienced users, we can see a slow increase in demand for smaller, more costs-effective options. That said, we do believe that top-of-the-range models with large cabins will remain very popular, due to the size of the country and the increasing call for business abroad. These are the jets that enable the Chinese

business traveller to fly in comfort, without a fuel stop.”

How is BizAv Used in China?

According to Mezenen, business utilization in China is very different from the European perception. “It is tremendously important to respect the values of the people; where China is coming from and where it is today,” he explains. “The way business is conducted is different from any other country in the world. The country is vast with a sizable population - nothing can be compared, and the best way forward is to





understand and respect there is a certain way of doing business here.

"As a rapidly developing market, there is a sense of excitement and novelty in being able to travel freely without the limitations of a schedule or airport accessibility." A newly-purchased aircraft will probably fly more often compared to a counterpart purchased and operated in the West, he adds.

Nevertheless, there is still some way to go in getting across that there are some operational limitations, and that flexibility can only come if you can work within those guidelines.

"Since expectations can be high it will take time for aircraft owners to completely understand the practical logistics such as crew duty limitations for safety, airport regulations, slots and parking restrictions," he continues. "Globally clients don't like to hear the words 'no, we can't do that', and the same can be said of Chinese clients. But the difference is in understanding that 'no' is not because of the operator's failure to perform, but mainly due to the 'limitations' of the infrastructure within the region.

"Permit and slot requirements are the biggest focus point for us. The challenge is to explain the issue to the clients who mostly have never heard of these issues before. So we take our role to educate ourselves and the client very seriously."

Anti-Graft Campaign Effect

There's been plenty of discussion about the crackdown on corruption in China, and it can easily be assumed that one of the first items to be felled would be corporate jets. Yet the Anti-Graft Campaign hasn't impacted Global Jet according to Mezenen.

"As a licensed carrier the new legislation has had little impact on our day-to-day operations. Today we can see that there are fewer 'grey'

market opportunities to charter, and this strengthens the business case for companies such as ourselves.

"One of the difficulties of operating in China is that it's easy to 'talk the talk' but much more complicated to 'walk the walk'," Mezenen observes. "To succeed, you need a genuine local presence, which includes focusing on hiring the best local talent, understanding how the market works and most importantly how business is conducted and especially how decisions are made.

"Transparency is the way forward, and the market is evolving strongly. China is not the only country where governments have enforced laws to counter corruption, and we as a company welcome these moves since they build a solid foundation for the Business Aviation sector to grow as a net contributor to the local economy, creating new jobs and skills for local people."

Thus Mezenen highlights that the time is deemed right for Global Jet to grow its footprint in the Chinese market. "Our operation is supported from strategically located offices in Beijing and Hong Kong.

"We've spent 10 years operating in the region and over the past four years we have gradually increased our presence. Together with our joint venture partner Jinggong Group, we have just taken delivery of our first Chinese registered aircraft, a Falcon 2000EX EASy (pictured above) as part of the Jinggong Global Jet fleet to fly our charter clients everywhere in the region."

The Falcon 2000EX EASy is ideally suited for operating within Greater China and beyond with a range capability reducing the need for refueling stops and a proven record of reliability. ■

More information from
www.globaljetconcept.com or
www.jinggongglobaljet.com

"Yet the
 Anti-Graft
 Campaign
 hasn't
 impacted
 Global Jet
 according to
 Mezenen."