



Main image: Shanghai will be opened up to more western businesses as China's business airport market grows

India and China are expanding, so what does this mean for the business airport market? An industry insider shares his thoughts

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Opening for business

With a population of almost two billion people spread over 3.7 million square miles, the potential for business aviation in China is clear. However, growth has been hindered by excessive regulations, a shortage of infrastructure, and heavy import taxes on aircraft, which has meant that private aviation has developed more slowly in China than in other Asia-Pacific countries.

However, as the country's economy continues to expand, China is beginning to see progress in the aviation industry. Chinese financial institutions are currently healthier than those in many other countries; critically, they are lending money to purchasers of aircraft. Interest in business aviation has been revived, driven by its dollar turnover and its willingness to improve the infrastructure since the economic downturn and, notably, since the Olympic Games were held in Beijing in 2008.

China's progress in aviation is evident in the increase in the number of private aircraft



Top: ExecuJet's new Cape Town Facility
Above: ExecuJet Hangar in Zurich

India

India's GDP has grown dramatically over the past five years and provides a dynamic environment for the big players in the international business world. Increasingly, the high-end business community and high net worth individuals are looking to business aviation for transport, enabling them to avoid the congestion of the major hub airports.

However, owning and operating business or general aviation aircraft in India is not without its pitfalls. MRO facilities in India are

neither widespread nor fully established, and much of the infrastructure required for an expanding business fleet is yet to be developed. There are also tough government and banking regulations to contend with, plus a lack of understanding as to how business aviation can be used as a tool to improve efficiency.

But efficiency starts on the ground, not in the air, and the construction of the necessary infrastructure will help develop solid and sustainable business models in the region.

India's strategic location for trade and business means it is only a matter of time before there is a shift in the way aviation operates there. The country's immense economic growth over the past five years will undoubtedly drive a need for business aviation as tourism and business activity continue to increase. It has been predicted that by 2017 India will be home to more than 400,000 dollar millionaires, which would make it the world's fastest-growing market, and one worthy of investment.

operating in the country, which rose from only 13 in 2005 to more than 90 aircraft today. This figure is expected to rise even more rapidly in the coming months, reaching 300 aircraft by 2011. However, the infrastructure to support more aircraft may not be in place, and further investment in facilities and services is critical.

In some ways, China is starting to make it easier for private jet operators. For example, about 150 of its 400 or so airports are open for use by non-scheduled aircraft, and the timescale for the submission of internal and international flight plans is reducing significantly. But one of the biggest hurdles still to overcome is the lack of infrastructure to support this expanding industry.

New infrastructure

ExecuJet is continuously looking at ways in which it can support new infrastructure and growth to accommodate the demands it faces in the region, even if that particular investment does not bring immediate returns.

It is not sufficient to simply sell aircraft. Aircraft do not look after themselves; they need an array of support services on the ground, from specialist catering and fueling trucks to immigration, maintenance, and private lounges to ease travelers' journeys. It is necessary to invest in this infrastructure to safeguard the future of the industry, especially in emerging markets.

It is predicted that the Asia-Pacific territories will one day account for 30% of the global business jet market, which is why ExecuJet is committed to expansion in the region. It is clear that there is a strong demand for business aviation in China, primarily because of the vast distances between the major economic cities and its poorly perceived airline network. In addition, the levels of economic activity in China make it clear that north Asia as a whole will become an important market.

