

# AVIATION FOR BUSINESS

03

## TRIGGER REACTION: FRIGHT OR FLIGHT?

Triggering Article 50 and the Brexit general election cause turbulence

04

## FLY BY DRONE TO BEAT THE TRAFFIC

Pilotless drones are set to become flying taxis in the Middle East

08

## NOW BUSINESS FLYERS TAKE THE CONTROLS

As more private jet operators take to the skies, passengers can be pickier

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## OVERVIEW

# Trigger reaction: fright or flight?

The triggering of Article 50 and shock Brexit general election announcement are eliciting a mixed response from the air transport sector

PAUL SILLERS

After flying in close formation with its European cohorts for four-and-a-half decades, the UK pushed the eject button. Plotting a new course as the altimeter spins through months of uncertainty of Brexit negotiations – or even political U-turns – is disorienting enough, but prime minister Theresa May’s shock announcement of a June 8 general election could make the UK’s flight from the European Union even bumpier.

HM Treasury’s pre-referendum assessment of Brexit warned that “a vote to leave the EU would cause significant disruption” to the UK’s aviation sector, highlighting that “the inherently cross-border nature of the sector means UK-based businesses would need to comply with EU rules when flying to EU destinations”, which in practice means implementing new and different regulations in the UK, resulting in extra costs for airlines, putting pressure on fares.

This assessment is mirrored by an International Air Transport Association (IATA) estimate that “the number of UK air passengers could be 3 to 5 per cent lower by 2020, driven by the expected downturn in economic activity and the fall in sterling”.

As the Brexit process “hardened”, IATA and Tourism Economics quantified the differences in impact between soft and hard Brexits. They anticipate that hard Brexit precipitates greatest disruption in both the short and long run, whereby the UK passenger market would be around 6 per cent smaller in 2035 “compared to what would happen in the ‘soft’ Brexit case” – 290 million passengers to, from and within the UK in 2035 compared with 309 million.

Brexit means leaving Europe’s Open Skies system, forcing the UK into new bilateral agreement negotiations with the EU to allow flights to and from Europe. While Article 50 theoretically provides 24 months before leaving, Ryanair’s chief marketing officer Kenny Jacobs says: “The best we can hope for is a new bilateral... however, we worry that Britain may not be able to negotiate such a bilateral in time for the release by airlines of summer 2019 schedules in mid-2018.”

The Dublin-based airline has called on the UK government to prioritise aviation negotiations



Ulrich Baumgarten via Getty Images

and “provide a coherent post-Brexit plan or risk leaving the UK without any flights to/from Europe for a period from March 2019, when it exits the EU”.

And that’s the nub of the issue – timing, because resolution of a UK-EU “divorce settlement” appears to be becoming a precondition before negotiation of new arrangements can commence, and time is flying by. The snap election will also do nothing to speed up the process as attention is diverted away from negotiating to campaigning.

“People will continue to want to fly across Europe after the UK leaves the EU,” says Tim Alderslade, chief executive of Airlines UK, the industry body representing UK-registered airlines. “We look forward to the EU and UK

reaching an agreement as soon as possible that allows consumers and businesses from all European countries to continue to travel to and from the UK and around Europe just as they do today.”

But to accomplish this, Brexit “requires a whole-business response: an ability to be agile in order to change course in-flight as the environment becomes clearer”, says James Stamp, global head of aviation and UK head of transport at KPMG. “We have to start planning for the summer-winter season for post-Brexit in 12 months’ time. I do think the issue of intra-EU flying for UK-based airlines is not going to go away soon.”

Mr Stamp’s top three priorities for UK airlines and businesses? “Clearly number one is market access and who can fly where. Num-

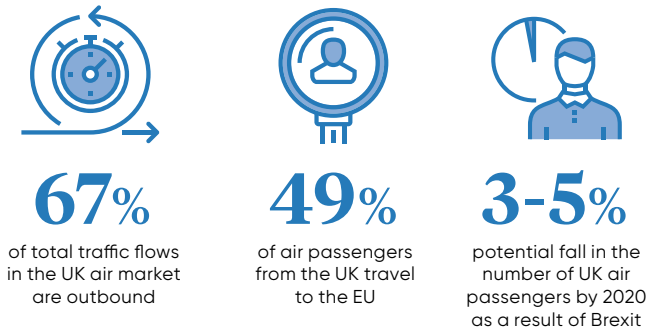
ber two is clarification on what the foreign ownership restrictions to the airlines might be in practice. And third, people need to be thinking very hard around the visa and entry requirements for people going into and out of the UK because we don’t want more friction in air travel,” he says.

Also grappling with what’s ahead is the private aviation sector. “We could be dealing with many issues, including recruitment and retention of crew, and the complexities of cabotage rights [the right of an airline registered in one country to operate domestically in another country],” says Adam Twidell, chief executive and co-founder of global private jet booking service PrivateFly.

Mr Twidell foresees “a catastrophic impact on UK aircraft operators if they’re unable to operate domestic routes in other countries, such as France and Germany, Europe’s two biggest markets for private aviation”. But he suggests a solution could be if the UK negotiates to remain part of the European Common Aviation Area as Norway or Iceland have done. Another option, he says, is that “the registries of Jersey, Malta and the Isle of Man are already an attractive alternative for UK-registered aircraft to elope to – now they’re looking even more attractive for UK aircraft owners and operators”.

Despite the murky outlook, does the Brexit cloud have a silver lining? One ray of hope is in the realm of aeronautical research, academia and manufacture which are all inextricably intertwined. Many of aviation’s success stories come from collaborative aero-industry programmes that straddle the UK and continental Europe. Major players, including Airbus, Rolls-Royce, Safran, Leonardo, Dassault and Thales, have a substantial presence on both sides of the Channel, with UK universities embedded in this ecosystem too.

“We’ve just taken occupation of a new Aerospace Integration Research Centre and our experience since the confirmation of Brexit has been of an unchanged level of interest among European aviation businesses,” says Professor Iain Gray, director of aerospace at Cranfield University. “Brexit hasn’t changed fundamentally that need for collaboration – interest is based on where they see capability. Issues around new barriers to working together will be overcome when there’s significant capability to be accessed.” ●





## FLYING TAXIS

# Fly by pilotless drone to beat the

Governments, safety regulators, air traffic authorities and technology breakthroughs will determine the global trajectory of flying taxis as the take-off of the first air cab service approaches this summer

PAUL SILLERS

It's exactly 20 years since the release of *The Fifth Element*, the Luc Besson-directed blockbuster set in a dystopian 23rd-century metropolis. Bruce Willis played the wisecracking flying taxi driver who sneers at authority, renders aliens helpless with his one-liners and saves the planet from the forces of evil.

But back in 2017, flying cabbies aren't quite so busy, for unlike Besson's gripping cinematic vision, the first airborne taxi slated for commercial deployment will fly autonomously, without a human pilot. Nor will you have to wait two centuries to hail a ride as flying taxis are scheduled to go into service this July in Dubai.

One more thing, flying cabs won't resemble cars. The prevailing technology platform is vertical take-off and landing (VTOL) drones with multiple electrically driven propellers.

For decades it's been an aspiration to democratise personal flight. Henry Ford, the godfather of mass-produced urban mobility, prophesied: "A combination airplane and motor-car is coming. You may smile, but it will come." His company even prototyped a flying car in 1926, the Ford Flivver, but abandoned the project

following a crash. So why are flying taxis taking off now?

Five elements have fallen into alignment making it all possible. Firstly, a significant milestone was reached on March 30, 2016 when German drone manufacturer e-volo flew the first manned certified multicopter, the Volocopter VC200, on an airfield in southern Germany. It's dronedom's equivalent of the Wright Brothers' first flight, transitioning VTOLs from Christmas toys to transporters of human beings.

Secondly, for the past decade, the air traffic control ecosystem has been prepping for the integration of remotely and autonomously piloted aircraft with commercial civil air traffic. An example of this is



It's dronedom's equivalent of the Wright Brothers' first flight, transitioning VTOLs from Christmas toys to transporters of human beings



BAE Systems' Autonomous Systems Technology-Related Airborne Evaluation and Assessment programme in 2012, which demonstrated that unmanned aerial vehicles could operate safely in UK air space.

Thirdly, is the improving oomph of battery technology, driven by

the automotive industry's efforts to extend the range of electric cars. Sony is reported to be commercialising the next generation of batteries – 1,000Wh/l energy density lithium-sulfur and magnesium-sulfur batteries – by 2020, delivering the kind of power that

could provide meaningful range for flying taxis.

The fourth factor is the rise of the internet of things and on-demand mobility, the ease of being able to summon an Uber car with a few taps on your smartphone. Hence, it's not surprising that Uber has become a proponent of a VTOL taxi network outlined in its *Elevate* white paper, published last autumn, which identifies the path to market, safety, propulsion, speed, range, certification, piloting, infrastructure and operational considerations.

Uber's intention is to inspire interested stakeholders to collaborate in the ecosystem needed for flying taxis and has even convened a global Elevate Summit in Dallas on April 25 to 27, reckoning: "If VTOLs can serve the on-demand urban transit case well – quiet, fast, clean, efficient and safe – the economics of manufacturing

**01** German drone manufacturer e-volo flew the first manned certified multicopter, the Volocopter VC200, in March last year

**02** Flying taxis could travel over five times faster than central London traffic

**03** Model of the EHang 184 displayed at the Dubai 2017 World Government Summit in February



Central London's average daytime traffic speed is 7.3mph



# traffic jams



© e-volo, by Nikolay Kazakov

01

VTOLs will become more akin to automobiles than aircraft.”

But perhaps the biggest determinant of aerial taxi uptake, the fifth element, is not the techy bits, it’s political will. To that end, two locales have conspicuously embraced flying taxis, embedding them into civic planning at government level.

Dubai is on track to be the first city to deploy flying taxis, following an announcement by the Dubai Roads and Transport Authority (RTA) in February. Mattar Al Tayer, general manager and chairman of the RTA, explained that flights of the Chinese-built EHang 184 at the Dubai Civil Aviation Authority’s test site is part of Dubai’s self-driving transport strategy, which aims to transform 25 per cent of total individual journeys in Dubai into self-driving trips using various modes of transport by 2030.

The EHang 184 could also be a contender for flying taxi services in Singapore, alongside the Volo-copter VC200, as well as Russian startup Hoversurf’s Scorpion-3. All three were presented at *The Business Times* Leaders’ Forum last month in Singapore where permanent secretary Pang Kin Keong outlined the Transport Ministry’s strategy for urban mobility in 2030, which includes passenger-carrying drones.



STRINGER/APP/Getty Images

03

Closer to home, flying taxis could have a transformative impact on the working day of a chief executive in a major city such as London, once regulatory, safety, security, privacy and air traffic control considerations are resolved. Let’s consider the specification of an EHang 184, which can lift a combined passenger and luggage payload of 100 kilograms, and fly for 25 minutes at a cruising speed of 60kph (37mph), and compare the alternatives.

Transport for London’s latest *Performance Summary* report highlights that of the 27 million passenger journeys undertaken by Londoners every day, more than 80 per cent are made on the road network and will grow by an extra five million daily trips by 2030. Current-

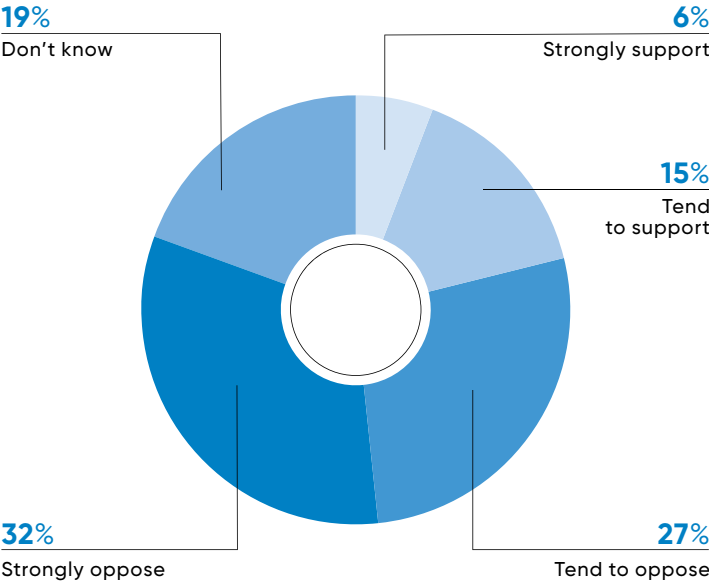
ly, central London’s average day-time traffic speed is 7.3mph.

This means flying taxis travel over five times faster than central London traffic, not to mention the advantage of flying a direct line from origin to destination, not the meandering pot-holed route with its roadworks, burst water pipes and traffic jams to fret about.

Theoretically, a trip by flying taxi from Canary Wharf to Kensington’s Design Museum (8.8 miles) would take 14 minutes, whereas the equivalent road journey might last 90 minutes. By public transport it would involve the Docklands Light Railway, three changes on the Tube and an 11-minute walk. Given the productivity potential of flying taxis, which option would you choose? ●

## PUBLIC OPINION ON PASSENGER TRANSPORT DRONES

SHARE OF SUPPORTERS FOR DRONES BEING USED FOR PASSENGER TRANSPORT IN THE UK



ComRes/Royal Aeronautical Society 2016

# ‘Flying in a chartered aircraft has nothing to do with fat-cat luxury – it’s about time efficiency, not simply cost’

RICHARD MUMFORD  
Chairman  
BACA



We live in an age of increasing urgency and complexity. Significant business decisions are made in the blink of an eye. An error of judgment can cost major contracts, risking thousands of jobs or millions in tax liabilities.

ority for any legitimate operator of aircraft. Specialist brokers will know and work with the best operators, carefully planning any proposed itinerary. They will work hard to ensure they meet timings, match the best

The business world is driven by people, even the largest and most successful companies will rely on the skills, experience and instincts of key executives. Technology has created great efficiencies in business, but physical presence is an absolute requirement to move a business forward.

If speed, accuracy of timing and delivery are the key objectives, a chartered aircraft will often be the best option, particularly if the two ends of the journey are not close to major airports, or if more than one destination is on the itinerary. Aircraft charter provides a fantastic ability to move quickly, discreetly and flexibly. Flying in a chartered aircraft has nothing to do with fat-cat luxury or ostentation – it’s about time efficiency, not simply cost.

In terms of cost, it is clearly cheaper to fly on easyJet from one major destination to another. However, the cost to the business could be radically different. A business might have a key contract worth £50 million in revenue each year. That equates to nearly £6,000 per hour.

Problems with the operation of that contract may require an executive to visit three destinations, perhaps Milan, Florence and Valletta, on the same day. The contract might be time critical; failure to resolve the issue on the day could lose the contract and also lead to a claim for breach of obligations. A major contract failure could cause significant reputational harm and damage that could take years to recover.

That trip would not be logistically possible on scheduled airlines. It is only possible on a chartered aircraft with the help of specialist advice, such as that provided by a BACA-member broker.

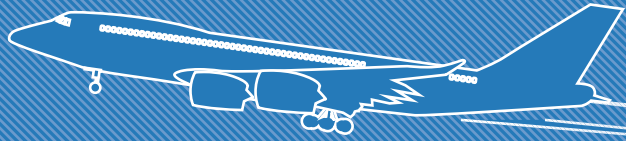
Aviation is heavily regulated because safety is the number-one pri-

aircraft to the routes and be there to help if something unforeseen occurs, such as a last-minute change of schedule.

BACA: The Air Charter Association is a global air charter broker association that requires its members to follow a code of conduct and rules, and to adhere to the highest standards of market conduct. The BACA logo indicates that brokers and operators are members of the association and are bound to meet those standards in pursuit of excellent customer service.

There are a host of other reasons to use chartered aircraft. These include: chartered aircraft are discreet and, contrary to what some might think, a low-profile way to travel; there are thousands of airfields worldwide and dozens of aircraft types available for charter, allowing the broker to plot a more efficient route to save time and increase efficiency; the time from crossing the airport threshold at the start of the journey and leaving it at the end can be massively reduced – in many airports, a car can drive straight up to the door of the aircraft and another be waiting at the other end; helicopter transfers can be arranged to depart directly from the arriving aircraft and transport the travelling customer to their final destination; and many aircraft have the latest technology on board, allowing the executive to work efficiently and confidentially while in the air.

In summary, jet charter is cost effective, efficient and flexible, provided it is carefully planned and sourced. There should be plenty of time to draft and send that key message to the business traveller’s customer to let them know everything will be OK. In fact, it might be possible to send it from the aircraft on the way home.



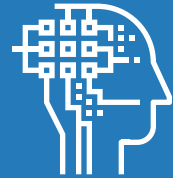
# THE FUTURE AIRPORT

Efficiency is the name of the game in the airport industry, and terminals are streamlining every step of the passenger journey to make the customer experience seamless, eco-friendly and, ultimately, as stress-free as possible. From facial recognition software to terminal transport pods, here are some of the key features that could become mainstream in the airport of the future



## CHECK-IN

Remote check-in is now commonplace across airports worldwide, with 71 per cent of passengers having used mobile boarding passes at least once in 2016, according to IATA



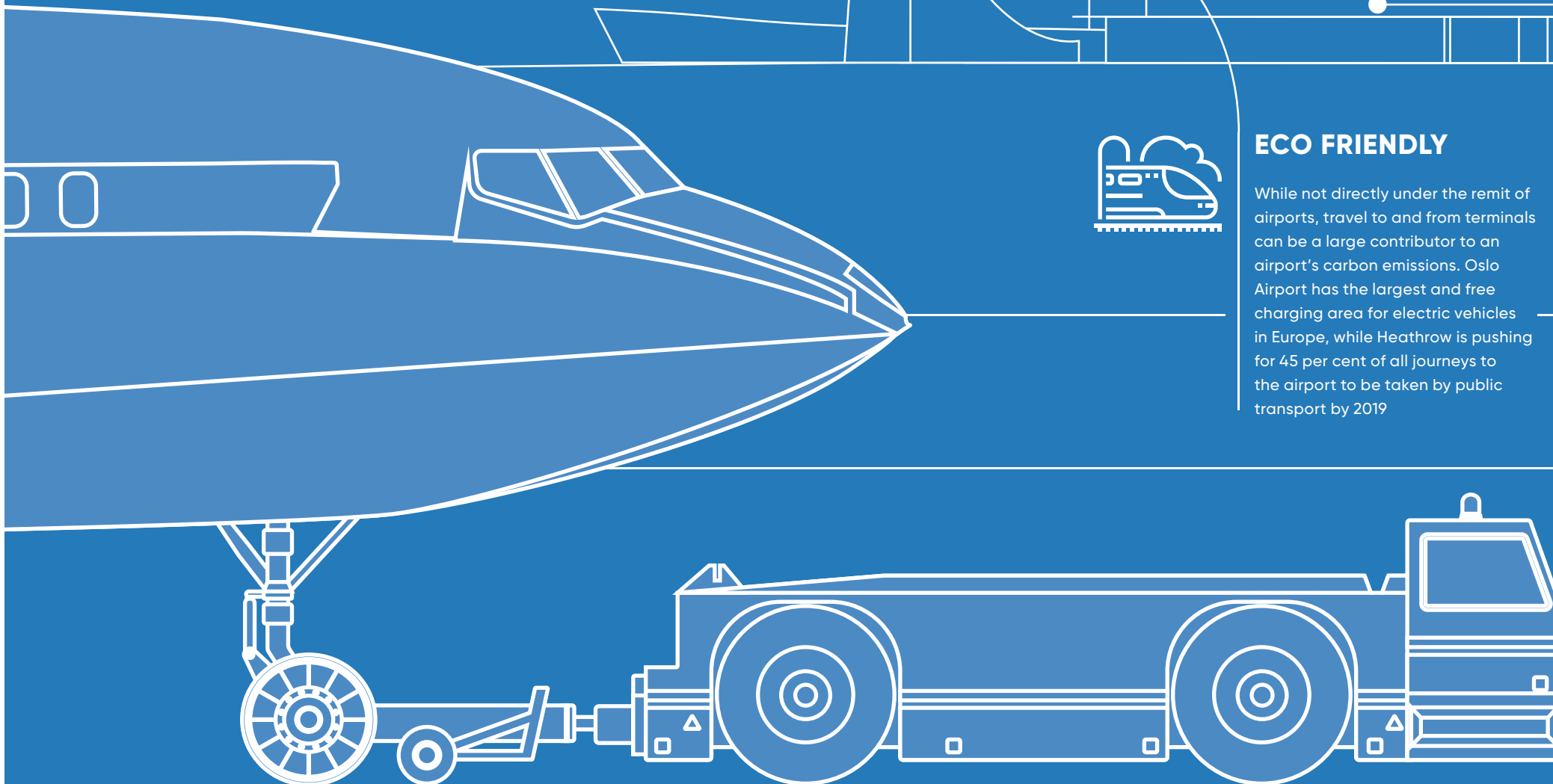
## AIRPORT ROBOT

Customer-facing robots have been around for years and are used for luggage transportation, cleaning, directing passengers to the correct gate. Glasgow Airport's all-singing, all-dancing, all-selfie-taking robot ambassador GLAdys, unveiled at Christmas, not only distracted passengers with renditions of their favourites, but was also able to provide customer feedback on airport services

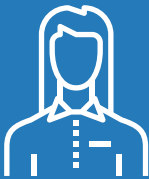


## ECO FRIENDLY

While not directly under the remit of airports, travel to and from terminals can be a large contributor to an airport's carbon emissions. Oslo Airport has the largest and free charging area for electric vehicles in Europe, while Heathrow is pushing for 45 per cent of all journeys to the airport to be taken by public transport by 2019







### SELF-SERVICE LUGGAGE

Air New Zealand installed the first of its facial recognition-enabled self-service baggage units at Auckland Airport late last year, which feature embedded cameras to capture passengers' faces at the point of bag drop, enabling a smoother transition to the departure lounge



### LUGGAGE DROP-OFF

Hong Kong's MTR subway system has a whole line dedicated to airport travellers, who can check their luggage in without leaving the city's central business district. Passengers can check in bags and get boarding passes at the station up to a day before their flight, removing the need for luggage storage and giving them extra time to tour the city



### CT SCANS

High-definition, 3D computerised tomography (CT) scans could soon replace the standard X-ray scans currently used at most airports, both speeding up the security process and improving security and the detection of weapons and explosives



### WI-FI

Terminal-wide wi-fi is an expected feature of airports nowadays, with travellers turning to the internet to overcome the insurmountable boredom that comes with long waits and delayed flights. Free wi-fi, however, is a little harder to come by. WiFox, an app created by computer security engineer Anil Polat, includes a map of free internet and wi-fi passwords at airports around the world, including which lounges, bars and restaurants to visit, and is continually updated by travellers



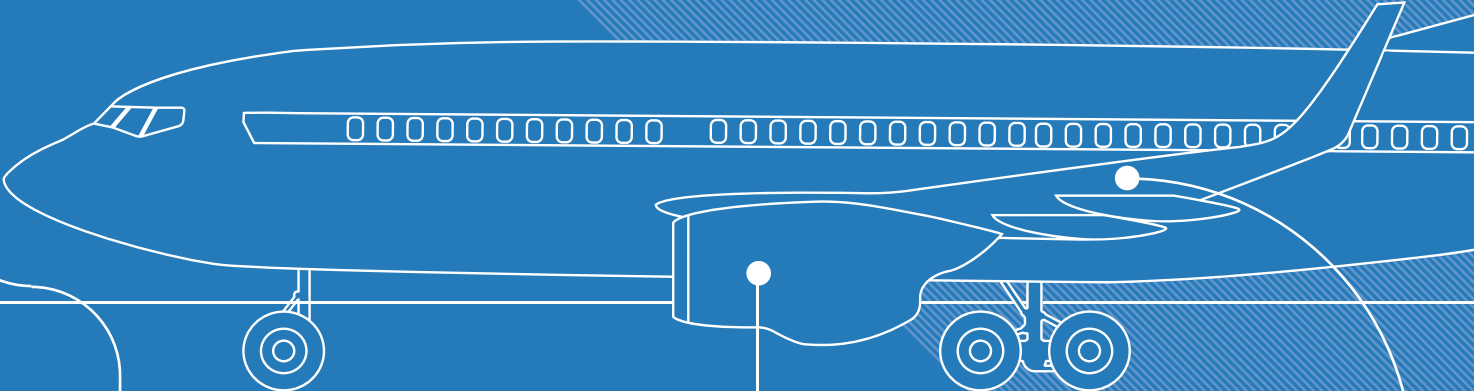
### BIOMETRICS

The awkward exchange between irritable security staff and frantic flyers searching bumbags for passports may be a thing of the past with the creation of the single passenger token. Tokens, such as the Aruba Happy Flow, are set to revolutionise the airport customer journey and enable flyers' biometric data to be linked to their boarding passes and passports, removing the need to present documents at every check-in point



### SPEEDY SECURITY

Tired of shoeless, beltless waits in security queues? Delta Airlines' "innovation lanes" have made the whole process a lot simpler, and speedier. Trialled last year at Hartsfield-Jackson Airport in Atlanta, the world's busiest airport, the lanes have five stations for travellers to deposit their bits and bobs onto a conveyor belt for scanning, moving five people simultaneously through the checkpoint, rather than the traditional single-file method. The system is proven to process 35 per cent more people per hour than single-file lines



### SLEEP PODS

Faced with flight cancellations or long delays? Dubai International Airport offers a dozen or so SnoozeCubes – mini sound-proofed hotel rooms installed within the terminal for a quick doze in privacy, each equipped with a bed, touchscreen TV and a shower. Too luxurious? The airport offers GoSleep sleeping pods, smaller private beds rentable by the hour



### NOISE REDUCTION

Restricting the number of night flights and penalties for older, louder aircraft are obvious ways of reducing noise, but changes to the way planes approach the runway can also have dramatic effects on sound levels. Planes typically level off intermittently as they descend, but continuous descents in a straight path from 6,000 feet can lead to noticeable noise reduction and save up to 400kg of fuel, according to Heathrow



### FUEL SAVING

While most aircraft use auxiliary power units (APUs) for cleaning and air conditioning when the engines are turned off, airports are beginning to install fixed ground power and pre-conditioned air systems. These power aircraft from the local grid or even solar power. Barcelona's El Prat Airport has saved 58,000 tonnes of CO<sub>2</sub> a year by making it mandatory to switch off APUs when planes are parked at the gate

## BUSINESS MODELS

# Business flyers are taking the controls

As more private jet operators take to the skies, their customers are increasingly spoilt for choice and are demanding top-quality service

NICK EASEN

“Most of our people have never had it so good,” was a phrase coined 60 years ago by then-prime minister Harold Macmillan, but it could easily be said of executive travellers using business and private aviation today. There is now an overabundance of options in the marketplace from jet cards to fractional ownership, one-way pricing to subscriptions.

But Adam Twidell, chief executive of PrivateFly, cautions: “Ironically because of the number of different business models out there, it is becoming increasingly difficult again for the customer. Differentiating and simplifying the offering is now a challenge for many companies.”

The prolonged era of low oil prices has led to a flourishing of aviation entrepreneurs willing to tackle this lucrative and sexy end of the market. Yet the economic downturn, combined with technological innovation, has changed expectations around service and price irrevocably.

“We have many customers who fly easyJet or private jet, it all depends on their timetable, with private jets often used to plug gaps in airline



Jen Florent/Unsplash

schedules. New business models have now put the customer in control, offering price comparisons and a clearer range of aircraft options,” says Mr Twidell, sounding a more positive note for flyers.

Julie Black, manager for executive aviation at Hunt & Palmer, says: “Customer loyalty is eroded by the increasing commoditisation of the product. While we accept that everyone expects good value for money, it presents a challenge to service quality when it becomes about being lowest in price.”

Private jet companies often try to win new business-class customers who are loyal to mainstream legacy carriers. However, building a devoted customer base remains a

challenge as there’s not always regular demand.

“They continuously try hard to drive down costs, break into new markets and reward customers with benefits that compare to existing schemes. The business-class customer is used to being treated differently and many have invested in earning gold loyalty status with legacy carriers, which they won’t give up without a fight,” explains Warren Dix, chief commercial officer at Hillgate Travel.

A key barrier to growth is airport access. As low-cost carriers expand at airports such as Luton or Geneva, private jets are squeezed out, so landing slots at peak times are harder to come by. Private aviation

companies are also now competing with some impressive first class and exclusive areas on board newer planes, such as the Etihad Residence on the new A380s, which can often offer more space than in private jets. Yet the biggest issue is the sheer scale of options.

“There are 800,000 seats a year offered on business and first class by US and UK legacy carriers on the most popular long-haul routes between London and New York,” says David Rimmer, chief executive of Bliss Jet.

However, an exciting development is at the entry-level of the private aviation industry. Regulations were changed in February to allow sin-

gle-engine turboprops to operate commercially in Europe. The move has been welcomed by the British Business General Aviation Association. As chief executive Marc Bailey says: “This is one of the bright spots in business aviation right now.”



While we accept that everyone expects good value for money, it presents a challenge to service quality when it becomes about being lowest in price

## INSIGHT

## DARING TO BE DIFFERENT



Bliss Jet

“Between them they’ll have spent close to £1,000, yet if asked what the other options could have been to complete this journey, a private aircraft is rarely on their list,” says business aviation sales expert Alex Berry. “It’s vital we start selling the benefits and widen the customer base.”

Turboprop flights across Europe could help, but others are daring to be different in private aviation. For the first time, passengers can now buy a seat on a business jet rather than chartering the whole aircraft, with Bliss Jet for flights to New York, starting this May. “We aim to be a significant disruptor when we launch,” says Bliss Jet chief executive David Rimmer.

Meanwhile a subscription model looks set to cause some turbulence. After

storming the United States, Surf Air Europe is launching shared services from Luton, Cannes, Geneva and Zurich this summer. Passengers pay a monthly fee of £2,500 that lets them fly as often as they wish. “We’re targeting 5 per cent of the European short-haul market who will pay more for a better service,” says Simon Talling-Smith, the company’s chief executive. Fly Club Air has similar intentions.

Technology also continues to drive change. For instance, UK-based PrivateFly, a global private jet charter broker, saw online searches for flights hit a staggering one million in 2016. “We were the first to offer booking via the web – we’ve now seen many existing players move into online offerings,” says chief executive Adam Twidell.

Day after day groups of executives travel first class on rail routes criss-crossing the country, with many commuting regularly between London and Edinburgh.

This makes charter flights more affordable, with up to six operators in the UK looking to introduce them on regular services. “It can hold up to nine passengers and has terrific accessibility because aircraft can use unimproved airstrips,” says Edwin Brenninkmeyer, chief executive of Oriens Aviation.

No matter how good the new services are, the main issue will be about letting executives know the option exists. “While it is not in everyone’s taste or budget to spend £100,000 on a car, £5,000 on a watch or even £300 on a dinner for two, they do know there are options in all those categories for consideration,” says Alex Berry, a sales expert in this sector. “Business aviation needs to be an option for every possible prospect.” ●



# Q&A Elit'Avia anticipating clients' needs in a changing Europe

Elit'Avia's newly appointed UK, Europe and Africa sales director **Wynton Faure** discusses the private jet company's personalised service strategy and reveals its unique combination of propositions in the business aviation sector

**W**ith a wealth of experience in previous roles at VistaJet and Tag Aircraft Management, Wynton Faure is responsible for promoting Elit'Avia's services in aircraft management, charter, VIP travel services, tech services and whole aircraft sales. Currently, his particular point of focus is developing the UK market and assisting those clients seeking a seamless transition through Brexit.

As airline passengers in and out of the UK face possible new procedures and restrictions once Britain leaves the European Union, corporate aviation could help smooth away the pain-points for those whose lives and businesses depend on frictionless travel.

Although it is too early to anticipate exactly how Brexit will affect the corporate aviation sector, with air operator's certificates in Slovenia and Malta, Elit'Avia is confident its unique geographic footprint and service options will ease the journey for its clientele.

**What bearing does the UK's triggering of Article 50 have on Elit'Avia's business, and could being co-located in Slovenia and Malta be beneficial for customers on both sides of the new "border" due to be imposed in two years' time?**

We expect that our clients will experience minimal, if any, disruption to operations due to Brexit. With a European air operator's certificate, internal European flights will remain free of cabotage restrictions. Nor will missions to and from the UK be affected. Elit'Avia now becomes very attractive to UK aircraft owners with mission requirements in Europe. Additionally, Maltese registration offers a tax-friendly environment for owners and Slovenia offers operational cost-savings. The only foreseeable impact will be for clients who may take on passengers in the UK and travel to a second in-country destination.



**WYNTON FAURE**

UK, EUROPE AND AFRICA SALES DIRECTOR  
ELIT'AVIA



**Elit'Avia has a diversified fleet with medium and long-haul range capability. What are the implications of offering these types of aircraft in a changing Europe?**

The composition of our fleet reflects the changing nature of our clients' mission profiles – more transcontinental and overseas missions, fewer shorter in-country missions. Elit'Avia's fleet composition is a testament to our expertise in managing diverse aircraft types and models.

**Do you think there will be a shift in the way UK customers will be inclined to draw on Elit'Avia's aircraft management propositions as the tectonic plates of Europe shift?**

Yes. We believe that UK clients will benefit from our aircraft management services. Overall, we expect UK operators and G-registered aircraft to be disproportionately inconvenienced by Brexit. These circumstances are creating an opportunity and this is why Elit'Avia is expanding its presence in the UK.

**Are the forces of digital disruption – app booking, comparative price shopping and so on – having any influence on the way you interact with pre-existing and new customers?**

We are always looking to improve client interaction through innovation. But we are also very sensitive to the fact that our clients expect attention

to detail and operational efficiency above all. We believe that the challenge is to balance the old and the new. We will not allow our service levels to be "disrupted" by technology, but we do support technology that enhances service.

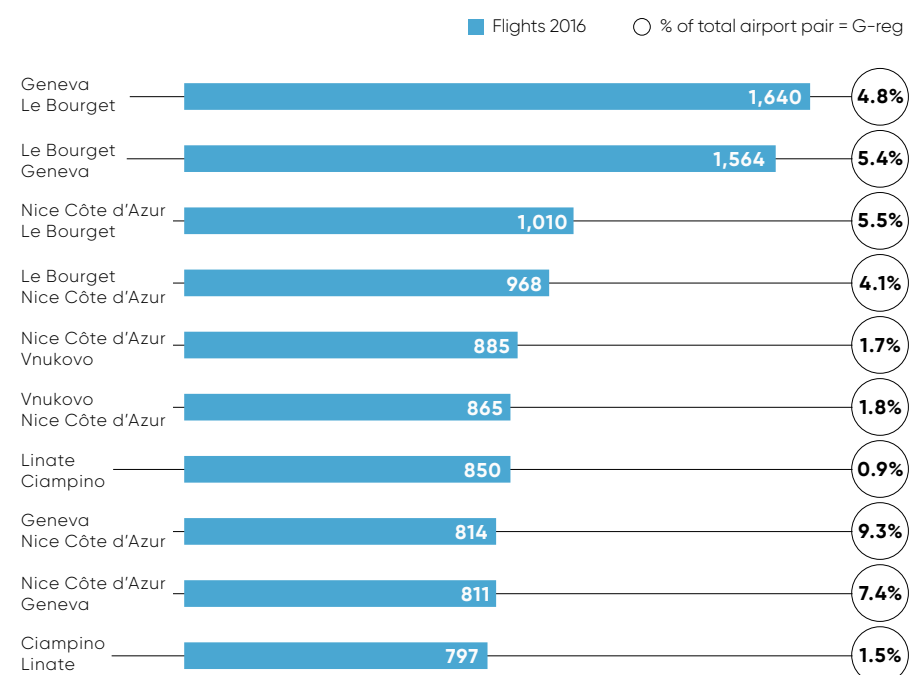
**Turning to the inflight product, passengers expect to have access to high-speed connectivity when they need to be productive in flight. What sort of connectivity throughput for multiple streaming is available on board your fleet?**

Most of our 21 aircraft are equipped with the latest in-flight connectivity solutions.

**Elit'Avia provides maintenance as part of its offer. Can you elucidate on what types of maintenance and standards you comply with, and do you think requirements will change in the new Europe?**

Effectively managing the maintenance of an aircraft is key to a successful operation. Elit'Avia's Ljubljana base is home to an exceptionally well-educated, talented and multilingual workforce. Since we are able to employ more people and offer a higher ratio of staff to aircraft, we can deliver better service than our competitors. Given our fleet diversity, we support ten different technical types of aircraft and work with five different civil aviation authorities.

## TOP TEN BUSIEST AIRPORT PAIRS FOR INTRA-EUROPEAN FLIGHTS IN 2016



WingXAdvance

Because we are level 3 IS-BAO certified, our team aims to exceed standards in airworthiness and aircraft care on all platforms.

**How have your customers changed during the last ten years and how do you anticipate their needs will change over the next decade?**

Customer preferences and mission profiles have changed significantly in the last decade. In general, the market has become better educated thanks to availability of information online. This can be a double-edged sword because some of that information is inaccurate or incomplete, which can lead to confusion. Elit'Avia's role is to stay ahead of the game. To serve your clients best, you need to know them – individually. Furthermore, we aim to anticipate clients' needs to deliver a truly effortless experience.

**Even in the executive jet travel sector, there's a certain level of commoditisation with increasing choices for customers. What are Elit'Avia's points of difference?**

Since the company first opened, the Elit'Avia team has been guided by an enduring commitment to exceed client expectations. Offering an exceptional level of personalised service, client satisfaction is central to our vision. Additionally, we have ten years' experience and more than 35,000 hours of flight time. Everyone



**27/40**  
of the top airport pairs during 2016 neither began nor ended at a UK airport, representing a total of...



**17,530**  
flights, that's...



**72%**  
of all intra-European air traffic

on our team goes above and beyond to ensure client expectations are not only met, but exceeded. Our air operator's certificates in Slovenia and Malta have served us, and our clients, very well. We are always on the lookout for new opportunities to provide the best possible solutions, provided they are aligned with our philosophy of putting clients first.

**For more information please visit [www.elitavia.com](http://www.elitavia.com)**

# Cleared for take-off: the new generation of travel payment

The biggest changes in payment methods for a generation present opportunities for those business-travel providers willing to make the most of them

As companies work to drive down costs and ensure every penny of their travel budget is well spent and accounted for, more and more are looking for new ways to gain better visibility and greater control over their travel expenditure. Increasingly they want central settlement through corporate lodged accounts and systems that offer seamless integration of booking processes, plus easier expense management.

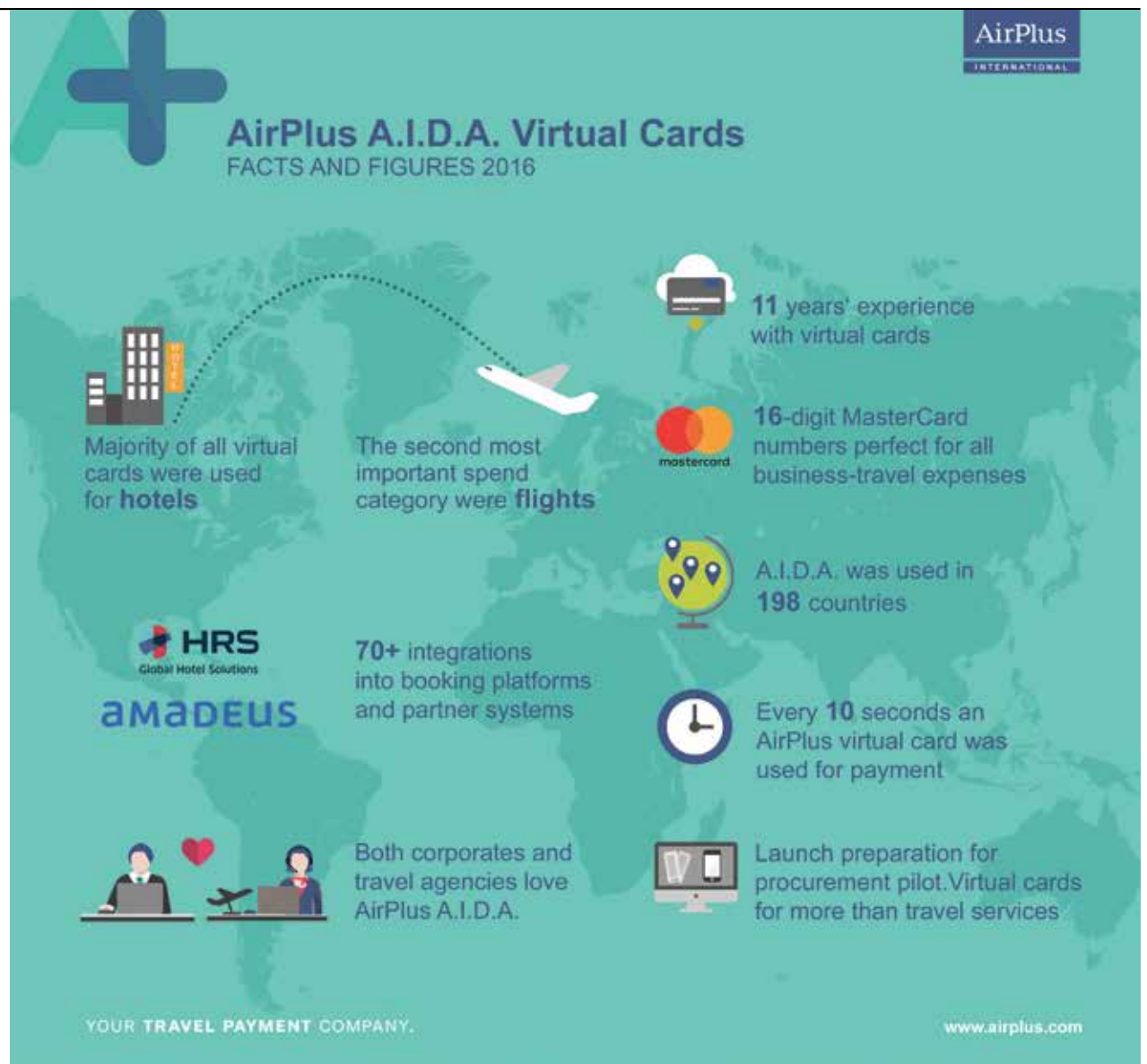
At the same time as they target business travellers, low-cost carriers are expanding into major airports and integrating into global distribution systems. Also the new generation of mobile booking and payments services are changing the payments landscape for corporate travel, as customers look

for new ways to book, amend and pay for travel from a wider range of channels. Meanwhile, regulations such as the revised Payment Services Directive (PSD2) for example, are set to accelerate the competition and digital disruption of payments, and will be a major challenge for the corporate sector.

However, Mario Zorn, associate director of virtual and mobile payment at AirPlus International, points out some good news for agile, shrewd corporate travel companies. "With the acceptance and integration of a growing number of self-services, they can get even closer to business travellers as third parties, such as travel agencies, and travel assistants must adapt to meet the challenges of this new business landscape," he says. "This trend offers exciting opportunities for them to create new products or services to help travellers and companies to do their job more efficiently and cost effectively."

With 49,000 corporate clients, AirPlus International is a leading international provider of business-travel management solutions, including the payment and analysis of the cost of trips. It offers payment acceptance for lodged accounts within the Universal Air Travel Plan payment network. By issuing lodged accounts, customers participate in integrated booking processes, and benefit from enriched data and integration into travel-expense management.

"Our payment solutions allow our customers to optimise the value chain of business travel and automate processes from booking to settlement in a way that makes payment more and more seamless and invisible for customers," says Mr Zorn. "By providing a partner network, we offer a fully integrated platform which offers customers maximum automation and data quality, as well as the most effective expense management and further internal processes."



“The whole booking and payment takes place with just one or two clicks of a mouse, thanks to the virtual credit cards that sit behind the system

The company has developed partnerships with the online-booking engines of airlines, hotels, train companies, car rental groups and the new generation of accommodation bookers, providing them with an invisible reservation and rental process. With car rental companies, for instance, there is often no need to pay in advance, as customers simply have to present a driving licence when collecting their car.

Similarly, when business travellers book an apartment through an accommodation provider, which has a partnership with AirPlus International, payment and billing go directly through their employer's centrally paid company account – a fast, easy and transparent process.

Mr Zorn predicts that over the next few years, corporate travellers will increasingly demand a greater variety of payment options, and will expect systems to become more integrated and less visible. Direct, automated settlement and integration for corporate travel will be essential, he believes.

One of AirPlus International's most successful products is AirPlus A.I.D.A. Virtual Cards. In 2016 its transaction volume increased by 36 per cent over the previous year. The digital version of a MasterCard credit card, it provides transparency, security

and efficiency for all parties. Users generate individual card numbers that are valid for one transaction only and then become void. This way, every service settled through AirPlus International is allocated a unique number.

A growing number of companies, including travel agencies, are using AirPlus A.I.D.A. Virtual Cards to pay for services booked centrally before trips, such as flight tickets, hotel accommodations and rental cars. With AirPlus A.I.D.A. Virtual Cards, the company can make all payments centrally and it receives a clearly structured overview of its travel costs that it can match automatically against its cost policy. Business travellers no longer need to use their

private cards to pay for services or to submit travel expense reports.

"Already today we're working on scenarios where the whole booking and payment takes place with just one or two clicks of a mouse, thanks to the virtual credit cards that sit behind the system," says Mr Zorn. "More and more people involved in all aspects of business travel are looking to enjoy the benefits of virtual credit cards. It's this kind of new technology and innovation that forward-thinking travel providers are already embracing to make booking and paying for business travel faster, easier and more transparent than ever before."

For more information please visit [www.airplus.com](http://www.airplus.com)

## INVISIBLE PAYMENTS: THE FUTURE OF BUSINESS TRAVEL



As payments become more seamless and invisible, the traditional plastic credit card will probably be phased out in the long term and with it the need

to enter the card number. Instead, transactions will take place in the background with the bill delivered digitally as the booking, payment and billing processes will be fully integrated.

Companies and card users will only have to be registered once, speeding up processes and reducing the chances of error. Security will be increased thanks to unique identification, while data will be transferred automatically to create an integrated process for booking, payment and travel expenses.

These changes mean that business-travel providers will now have to start rethinking the way in which they operate and take payments.

**AirPlus**  
INTERNATIONAL

AirPlus is a leading international provider of solutions for the day-to-day management of business travel. Some 49,000 corporate customers count on AirPlus for the payment and analysis of their business trip costs. Products and services are marketed worldwide under the AirPlus International brand.

The AirPlus Company Account is the most successful central bill account based on the Universal Air Travel Plan payment network.

167 million transactions in 2016 – up 8 per cent since 2015.



## MIDDLE EAST

# Turbulent take-off clouded by delays

The Gulf states may have more air passengers than anywhere else in the world, but they also have their problems

EDWIN SMITH

**W**hen Dubai overtook Heathrow to become the busiest international airport in the world in 2014, the global aviation industry's centre of gravity shifted eastwards.

Since edging ahead, the Emirate's hub has widened its lead and last year accounted for 83.6 million passengers, compared with Heathrow's 76 million. If a \$32-billion project to expand the Gulf state's second airport, Al Maktoum, progresses as planned, Dubai could become the most important international hub by a distance. The Dubai World Central (DWC) airport, as it's also known, is forecast to have capacity for 200 million passengers a year by the mid-2020s.

But the development of aviation in the Middle East hasn't been straightforward. Plans for the new Dubai airport slowed after the oil state had to grapple with recession in 2009. And although passenger numbers at Dubai International continue to grow, Reuters analysis shows that the 7.2 per cent increase recorded last year was its second slowest annual growth rate in the last eight years.

Oxford Economics research published in 2015 showed that the average flight in the Middle East was delayed by 36 minutes. More worryingly, the consultancy projected that failure to address issues related to air traffic control would see the average delay increase to 59 minutes by 2025, costing the region \$16.3 billion in international trade and investment in the process.

With oil prices still plumbing the depths and around a quarter of Dubai's GDP accounted for by the aviation industry, it's a problem that the Emirate and its close neighbours can ill afford.

"Airlines are ordering many aeroplanes. New airports and runways are being built, but this hidden infrastructure of the airspace and air traffic management hasn't developed at the same speed," says Alan Corner, a director at Helios, a consultancy that has been engaged by the Gulf Co-operation Council to help harmonise air traffic management across the six GCC states. "It's much harder to fix something you can't see."

According to John Grant, senior analyst at OAG, which provides digital flight information to airlines, part of the difficulty for Dubai is that



Peter Adams / Getty Images

01



KARIM SAHIB / AFP / Getty Images

02

the airport is in operation 24 hours a day. By contrast, Heathrow schedules take-offs and landings between 6am and 11pm, and manages to fit more aircraft movements into a single hour – 86 to Dubai's 61. "While they don't have that same peak [in Dubai], they always have quite a lot, so their ability to catch up becomes less," says Mr Grant. "The punctuality is not as good as you would expect it to be."

There are other problems, too. Dubai, Abu Dhabi and Doha airports are all major hubs for Emirates, Etihad and Qatar Airways, respectively. So, Mr Grant says, a large percentage of Middle Eastern airports' incoming passengers have a

“New airports and runways are being built, but this hidden infrastructure of the airspace and air traffic management hasn't developed at the same speed

connecting flight to catch. As a result, delays to inbound flights have knock-on effects.

What's more, Dubai has to accommodate its growing fleet of vast double-decker Airbus A380 aircraft, which should soon reach 142. "That big aircraft lumbering up into the sky creates a vortex," says Mr Grant. Planes flying behind the largest passenger plane in the world need to leave sufficient separation distance, which means the airport's ability to land the same number of aircraft in the same hour is reduced.

In October 2016, Dubai Air Navigation Services reported that the implementation of a new approach

**01** The \$32-billion project to expand Dubai's second airport could make the Gulf state the most important international hub

**02** Visitors at the Middle East Business Aviation event at Dubai's Al Maktoum Airport

peak offload procedure to optimise the arrival of planes of different sizes increased the average number of air traffic arrivals during peak hours from 33.2 to 34.8. But more could be done, says Omar Hashmi of route development consultants ASM.

The best chance of significant progress may be for the various states in the region to work together. "The Gulf states need to collaborate with their neighbours to fix problems," says Mr Corner at Helios. "Otherwise you just move the bottleneck further on."

In Europe, where the European Commission has encouraged collaboration between nations, aircraft are managed by Eurocontrol, which effectively creates a single air traffic control region. "In the Middle East, that doesn't happen," says Mr Corner. "But the GCC's priorities are greater interoperability, harmonisation and standardisation between the Gulf states. If we work together we can start to address this and come up with solutions that specifically meet the needs of the GCC states."

According to the director general of the United Arab Emirates Civil Aviation Authority Saif Mohammed Al Suwaidi, talks to centralise the traffic management of GCC countries are at a very advanced stage.

But he says: "Our problem is not coming from our end. Our problem is mainly coming from neighbouring countries as they are not allowing us to accommodate the traffic we generate and this is the main problem." ●





# Leading together



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Building trust every day