

# European Business Aviation



PHOTO: Arom Productions/Dassault Falcon

The autographed pictures of film stars and Formula 1 race drivers that adorn the Cannes-Mandelieu business aviation terminal on the Cote d'Azur are testimony to those who discovered the business jet many years ago. That airport and many others throughout Europe are now seeing a new revolution as increasing numbers of companies and wealthy individuals turn to business aviation as the most cost-effective—and private—way of covering a lot of ground in a very short space of time.

Pilot owners, members of fractional aircraft ownership programs, conventional aircraft charters or the latest and fast expanding block hours incentives all contribute to a current explosion in European business aviation.

Block hours incentives are a popular introduction to the advantages of business aviation. They allow companies or individuals to book a minimum of 25 flight hours annually for a fixed wholesale price well below the cost of those hours booked on an ad hoc basis. Their popularity in Europe over the last 12 months are now driving new aircraft sales according to Mark Booth chairman and CEO Netjets Europe. He predicts that he will have 1000 clients in all schemes by the end of 2005, a dramatic increase given that the company only had 90 members in 2002.

Fractional ownership, involving purchase of shares in one or more business jets, is also taking off, growing at the fastest rate since market leaders Netjets Europe set up shop in London in 1997. The European arm of the global fractional leader, owned by entrepreneur

Warren Buffett, placed its largest single order for 25 aircraft at the turn of the year and will have around 91 business jets based in Europe by December.

“Next month we anticipate selling 12 fractional shares, which is the equivalent of one-and-a-half aircraft. That’s more than we’ve ever done in a single month, said Robert Dranitzke, Netjets Europe director of communications and business development. “Our problem now is getting aircraft quickly enough. Our flying hours are more than 50% up year on year and our clients and fractional shareholders are flying farther as we take delivery of larger and longer range aircraft such as the Gulfstream 550.”



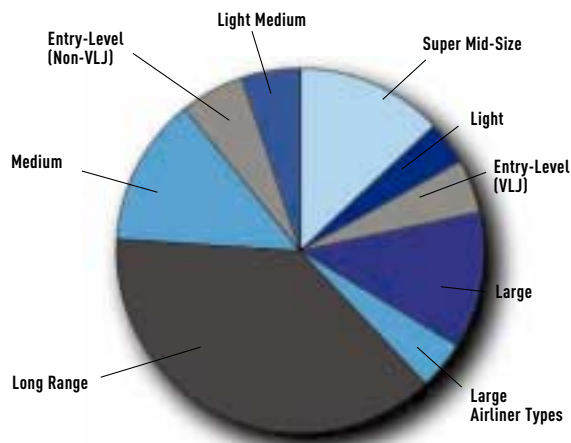
Netjets European fleet already consists of a Gulfstream IVSP and a Gulfstream V, and its first 550 is arriving this month. “We already need a second \$40 million Gulfstream 550 because we have sold all eight shares in the first one before it’s even arrived, a problem we haven’t encountered before,” he said. Most of Netjets business boom is coming from the UK—not necessarily from British companies, but from multinationals based there. Business in France is better than anticipated, Germany is the strongest it’s ever been for us, and Spain is also picking up,” said Dranitzke.

The Embraer Legacy, another long range executive, jet is also popular at \$22.5 million apiece. Three have been sold by UK and Ireland agents Harrods Aviation in the last five months and another order is expected shortly.

Chris Rooney, managing director of Farnborough-based Bookajet.com, which is a regular for the likes of the Beckhams, Dido and Westlife aboard its managed fleet of executive jets, says business is booming because the European mindset towards business jet travel has finally changed for the good. Bookajet’s fleet will double in size this year to accommodate extra business says Rooney. His client list, he says, is split roughly 50/50 between high net worth individuals and corporate executives.

Rooney bases his current optimism on a strong UK economy and increasing levels of business from eastern Europe and Russia. Weakness of the dollar, in which business jets are priced, is also spurring sales of business jets, he claims.

## Value of Production by Market Segment 2005-2014



SOURCE: FORECAST INTERNATIONAL

In cooperation with





## EBACE 2005

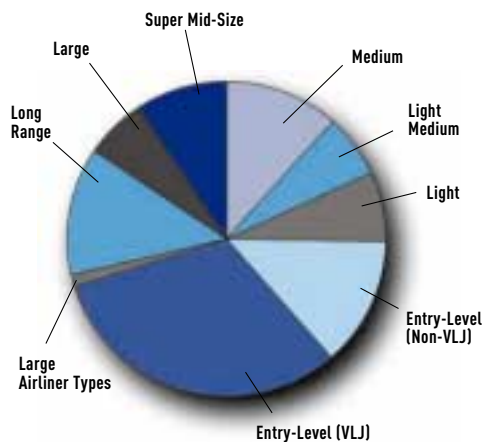
EBACE 2005, the only European exhibition of its kind to focus totally on business aviation, will kick off its Opening General Session on May 18 at Palexpo Conference Center in Geneva, Switzerland, featuring Patrick Goudou, Executive Director of the European Aviation Safety Agency. EBACE 2005 promises to be 30% bigger than the previous year, with more than 700 vendor-sponsored exhibits, 6,000 visitors, and at least 30 aircraft on static display. The show has become the leading European business aviation exhibition of its kind, drawing together corporate leaders, aviation department personnel and non-operators from Europe, Africa, Asia, the Middle East and North America.

For information about EBACE visit <http://www.ebace.com>

At the top end of the spectrum Dassault Aviation of France has flown its first fly-by-wire corporate jet, the \$39.4 million, 5,700-mile range Falcon 7X

### Business Jet Aircraft Market

Unit Production by Market Segment 2005-2014



Credits : Bud Shannon/Dassault Falcon



According to Gatwick-based Air Partner, one of the world's largest aircraft charter brokers, it is quite easy to evaluate the relative value of hiring a business jet: If an executive values his or her time at more than \$500 per hour, then flying by scheduled airline is costing more in real terms than using a business jet, it claims.

And that's just for a simple trip. Air Partner points out a business jet can allow a city-hopping executive to achieve as much in one day as would take three days by airline—and still be home in time for dinner. Savings multiply if more than one executive is involved. Mike Creed of Harrods Aviation backs this up: "London—Prague—Milan and back to London is achievable in a working day."

Many companies regard business jets as a productivity tool which gives them a definite advantage over their non-business jet traveling competitors. Says Bookajet.com client Nick Hyslop, a partner in UK-based Oriel Securities: "We have found private charters a very efficient and cost effective way of moving a small number of people around, especially where there is a tight schedule to keep."

Optimism amongst business jet users and operators is coinciding with the development of Very Light Jets that promise to revolutionize air travel with the introduction of on-demand air taxi services. Eclipse Aviation, set up by ex-Microsoft executive Vern Raburn and counting Bill Gates among its backers, is already test flying the \$1,293,000 four-five seat Eclipse 500 twinjet, and the competing Cessna Citation Mustang, listing at \$2,533,000, recently took to the air. Brazilian regional airliner manufacturer Embraer announced at the beginning of May it will enter the fray with a VLJ and a Light Jet. The VLJ will carry up to eight people and cost \$2.75 million while the Light Jet will carry up to nine people and cost around \$6.65

million. All the minijets use the new Pratt & Whitney Canada PW600 series engines, which have involved a complete rethink of manufacturing methods for Pratt to pop out four a day from a production line only 60-feet long and still make money on such a low cost powerplant.

Eclipse's Raburn is convinced the on-demand air taxi service will take off in the USA, but whether this model could work in Europe's overcrowded skies will very much depend on aviation regulators and Eurocontrol's ability to handle even more aircraft through its already delay-prone airspace.

At the top end of the spectrum Dassault Aviation of France has flown the world's first fly-by-wire corporate jet, the \$39.4 million, 5,700-mile range Falcon 7X. The all-digital aircraft was designed digitally to a remarkable accuracy of one micron via a computer network of risk sharing manufacturing partners around the world. Parts of the aircraft's structure are shipped to France where are joined by robot riveters on Dassault's assembly line in France.

Just as Dassault has revolutionized the manufacture of the business jet, so it hopes to translate these changes into benefits for the flying customer. The new aircraft will be super fuel efficient and require less maintenance than ever before, making it even more effective as a business tool.

#### Written by Mike Vines

Mike Vines is a writer and photographer for B/CA Show News and the European correspondent for Business & Commercial Aviation.

Designed by dotcomms.net

In cooperation with

