
TAG Farnborough, England

AIN FBO SURVEY

2013 • INTERNATIONAL

Report by Charles Alcock, data compiled by David Leach

Growth uncertainty, tight margins and blocked opportunity present challenges for international FBOs

At face value, the current state of the global FBO sector is fairly easy to summarize. Outside the Americas, Europe remains at best flat in terms of traffic volumes, while markets such as Asia and Africa continue to see strong growth. The Middle East is somewhere in the middle.

So market conditions amount to a mix of challenging times in which costs in some locales continue to rise, further squeezing profits, and extraordinary opportunity presents itself in other places. This background suggests that business aviation handling companies would be retrenching in mature markets such as Europe and feverishly expanding in the new territories. But the reality belies the obvious, and so we find a paradox in which no fewer than eight FBOs continue to battle it out for declining traffic at Paris Le Bourget Airport (with rumors of more market entrants to come). Similarly, up the road in London, there are now five FBOs scrapping it out at the UK capital's Stansted Airport alone, with operators having plentiful alternatives at some half dozen airports with almost two dozen FBOs around the metropolitan area.

By contrast, in the huge and growing economies of China and India, the total number of real, dedicated FBOs can still be counted on one hand. So does the FBO industry lack imagination and business acumen, or are there valid reasons for this imbalance?

To try to make sense of the apparent contradictions, **AIN** quizzed a broad cross-section of FBO leaders and flight-planning and support experts. There was clear consensus that while FBO costs are rising, competitive pressures for the most part prevent increases in handling fees, leaving profit margins squeezed across the board. But everyone concluded that this is still a good business to be in.


Cedric Migeon, Airplan founder

Limited Opportunity Beyond Europe

Cedric Migeon was managing director of ExecuJet Aviation Europe until recently when he left to form his own consultancy called **Airplan**. Among other tasks, the Switzerland-based firm is trying to help FBOs maximize their potential.

"In Europe the past 12 months were definitely rather mediocre for traffic, not terribly bad, but disappointing with lots of ups and downs," Migeon said. "Even the ups were not as up as you would like them to be and every now and then there have been periods when the traffic drops and it's not clear why."

So why not turn your back on Europe and chase better FBO opportunities farther to the East and South? Evidently, the path to new market opportunity still isn't that smooth.

"The new markets are challenging," said Migeon. "FBOs are local businesses and 90 percent of the battle is won at a local level. It is a difficult combination of pleasing international clients by finding local solutions. Every local situation is different. You might need a local shareholder, and how do you find the right person? How do you gain the trust and support of the local airport? How do you get the right location and put the right team in place?"

According to Migeon, who helped ExecuJet open eight FBOs in four years, these challenges play into the hands of the larger FBO groups who have the resources to take the long-haul approach. "Location is by far the most important thing, but some countries still make it a nightmare for international companies [to open new FBOs]," he said.

Beyond Europe's still-discouraging economic situation, Migeon sees FBOs and their customers facing other hurdles, such as governments and airports trying to squeeze money out of business aviation through new taxes and fees. Then there is the uncertainty created by situations such as the delay in the opening of the German capital's new Berlin Brandenburg Airport, the encroachment of airline traffic at Moscow's crowded Vnukovo Airport and the impending privatization of Spain's airport authority, AENA.

But despite all that, the FBO veteran would not turn his back on the Old World. "I would still look for acquisitions in Europe because some locations are profitable and there are FBOs that are not part of the big groups that may well be interested in selling right now," he told **AIN**. "Outside Europe there is still not much to be acquired; in many places everything needs to be built, and it may be hard there to deliver service standards that are anything like what the market expects."

In Migeon's view, the FBO business case stands or falls on traffic volumes and location, but many companies don't help themselves by failing to market effectively. "A lot of FBOs still don't sell their services proactively, they don't really look for new clients, they don't visit existing clients, and they underestimate the value of having a great relationship with the trip-planning companies."

In the trip-planning fold is **Rockwell Collins** Flight Services. According to flight operations manager Tim Bartholomew, the business aviation customer base is rapidly becoming more geographically diverse in terms of where operators are based and where they are flying to and from. His overall perspective on market conditions is positive in that he sees more FBO choice springing up around the world and robust competition serving to keep down prices and keep up service quality for his clients.

The former Air Routing International business has spent fast-approaching four decades building a global network of local agents who supervise ground handling service delivery. Bartholomew claimed that the Rockwell Collins team rarely gets complaints about service standards around the world because it is so thorough in choosing and controlling the best available options in even limited locations.

However, some factors can be beyond the planners' control, such as fuel supply at some airports. Making this factor harder, in his view, is a growing tendency for aircraft operators to shop around more aggressively in search of discounted jet-A. "They have a lot of choices and a lot of prices these days, but this can backfire because the fuel may not be available when it is needed," Bartholomew said.

There are plenty of operational headaches around the globe to give specialists such as Rockwell Collins the chance to prove their worth as trouble-shooters. In India, for example, the permit process and task of securing aircraft parking can be extraordinarily challenging. The company's goal is to be an extension of the client's flight department, supplementing its agent network with the planning power of its FOS trip support software.

"When operators are flying around the world these days they'll find some excellent places [FBOs], and some places where there is no choice available," said Bartholomew. "But the worst situation is when there is a surprise for the operator [in terms of poor service or complications], and that's where managing expectations is so important."

Flat and even declining traffic in Europe has not deterred **Landmark Aviation** from stepping up its ambitions outside its North American home territory. With backing from its new owners, the Carlyle Group, the company has begun construction of a new terminal at Paris Le Bourget. At almost 13,000 sq ft, the new facility will be more than three times larger than its current premises. General manager Denis Bourgois asserts it will be the first truly purpose-built FBO at the airport. The company also has an FBO at Nice Cote d'Azur Airport and representation at eight other locations in France.

According to Bourgois, experience and investment in infrastructure make all the difference and Landmark has demonstrated the value of this over the past winter, a hard one that tested its de-icing capabilities. Its long-standing status as an ExxonMobil fuel distributor has also been a plus.

But he also acknowledged that the competition at Le Bourget can be cut-throat. "If you don't want to lose market share you have to manage your prices and you can easily lose a customer that you have had for five or 10 years," he told **AIN**. "Business is up and down. February was a disaster. March, we'll see, and I just don't know what will happen next month."

Fragmented Growth Trend

At **Jet Aviation**, one of the largest international bizav handling groups, Jakob Straub, vice president of FBO service for Europe, the Middle East, Africa and Asia, confirmed that while traffic fell by around 5 percent in Europe last year, there was impressive growth in just about all the other territories his group covers. But beyond the generalizations, the situation is more fragmented.

For example, while the Spanish and Italian markets were especially weak last year, Jet Aviation saw traffic hold up well


Evergreen Apple Nigeria

Top Rated FBOs in Europe, Middle East, Asia and Africa

FBO	Airport	Code	Line Service	Passenger Amenities	Pilot Amenities	Facilities	Overall Average
TAG Farnborough	Farnborough	EGLF	8.6	9.0	8.9	9.2	**8.9**
TAG Aviation	Geneva International	LSGG	8.3	8.7	8.3	8.2	**8.4**
KLM Jet Center	Amsterdam Schipol	EHAM	8.4	8.3	8.2	8.4	**8.3**
Signature Flight Support	Paris Le Bourget	LFPB	8.3	8.5	8.0	8.3	**8.3**
Dassault Falcon Service	Paris Le Bourget	LFPB	8.2	8.4	8.0	8.2	**8.2**
Harrods Aviation	London Luton	EGGW	8.1	8.7	7.8	8.3	**8.2**
Signature/AviaPartner	Nice Cote d'Azur International	LFMN	8.0	8.1	7.7	8.1	**8.0**
Swissport Executive	Nice Cote d'Azur International	LFMN	8.4	8.1	7.5	8.0	**8.0**
Jet Aviation	Geneva International	LSGG	8.3	8.0	7.7	7.8	**7.9**
Universal Aviation	Paris Le Bourget	LFPB	8.6	7.6	7.4	7.6	**7.8**
Hong Kong Business Aviation Center	Hong Kong International	VHHH	8.2	7.8	7.2	7.6	**7.7**
Abelag Aviation	Brussels National	EBBR	7.6	7.8	7.3	7.6	**7.6**
ExecuJet Middle East	Dubai International	OMDB	7.0	8.0	7.6	7.6	**7.6**
Signature Flight Support	London Luton	EGGW	8.4	7.4	7.4	7.2	**7.6**
Landmark Aviation	Paris Le Bourget	LFPB	8.2	7.4	7.3	7.3	**7.5**
Jet Aviation	Dubai International	OMDB	7.1	7.2	6.9	7.3	**7.1**
Jet Aviation	Zurich	LSZH	7.0	6.4	6.4	6.4	**6.5**
VipPort Vnukovo	Moscow/Vnukovo	UUWW	6.1	6.9	5.4	5.5	**6.0**

FBOs with the same overall average are listed alphabetically.
FBO information provided by Ac-U-Kwik

INTERNATIONAL TOP RANKED FBOs

Europe's struggling economies generally made for lean traffic volumes at FBOs last year. But, buoyed to some degree by traffic coming from more robust economies on other continents, the strong European FBOs were able to hold their heads above water.

High levels of competition in Europe probably also contributed to another strong showing by FBOs there in AIN's annual survey. Here is a snapshot of some of the highest-rated facilities, those achieving an overall average score of 8.0 or higher.

8.9

TAG Aviation, Farnborough, UK

This year marks the 10th anniversary of TAG Aviation taking over the running of Farnborough Airport from the UK Ministry of Defence. Simply put, a decade of dedicated effort and an investment of approximately $160 million have paid off.

Farnborough is one of Europe's few dedicated business aviation airports and, unlike FBOs at France's Paris Le Bourget Airport, TAG benefits from having the place all to itself. That said, TAG Farnborough Airport does face stiff competition from at least half a dozen other London-area airports and a strong array of rival FBOs.

It would be easy to assume that TAG Farnborough's continuing popularity is driven largely by the iconic terminal building the Switzerland-based group opened in 2006. This remains impressive, but TAG has continued to invest in the site and now offers a pair of three-bay hangars providing 240,000 sq ft of space for aircraft storage, maintenance and offices.

Permitted annual movements at Farnborough are cleared to grow from the 2012 limit of 37,000 to 50,000 in 2019. TAG has reported a trend toward a larger average size of the aircraft using the airport and at last count had more than 60 based aircraft. Last year aircraft with an mtow of at least 50 metric tons (e.g. the Boeing Business Jet) increased in number by 44 percent over 2011.

According to TAG Farnborough Airport chief executive Brandon O'Reilly, each of the last six months of 2012 saw traffic increases above those recorded in the same period of 2011. Importantly, growth continued even after the one-off boost provided by the Olympic Games hosted by London last summer. Movement growth has continued in the early months of this year.

The main focus at TAG Farnborough this year is to advance its ambitions to be more environmentally friendly. From January 1 it imposed its own ban on aircraft that don't meet Stage 4 noise limits. Its wider goal is to be carbon neutral by 2019. The airport is reducing carbon emissions by cutting energy use for needs such as heating and by providing fixed electric ground power points to avoid the need for visiting aircraft to run their APUs.

8.4

TAG Aviation, Geneva, Switzerland

Improvements to its Geneva facilities in recent years may well be what has prompted local rivals to embark on their own wave of investment at the Swiss airport, but for now TAG Aviation's FBO has stayed ahead of the pack in **AIN**'s annual survey. Three years ago, TAG built a new 43,000-sq-ft hangar adjacent to its premises in Geneva and around the same time expanded its crew lounge as part of a 2,150-sq-ft rest area on the first floor, adjacent to two conference rooms. The reception area has also been remodeled to establish a clearer separation between passenger and crew facilities.

Like other Geneva FBOs, TAG continues to have to juggle customer expectations against a backdrop of constrained capacity at the single-runway airport. The shortage of aircraft parking space there also


TAG Geneva, Switzerland

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at its main Swiss base in Zurich. This year it is continuing the second phase of a project to create brand-new facilities for its Zurich FBO. Meanwhile, at its Geneva base a major refurbishment is under way and this is expected to be ready for unveiling during this month's EBACE show.

Farther north in the UK, the company sold its London Biggin Hill facility last year after concluding that it faced an unsustainable degree of competition there from the airport-owned FBO and rival group Rizon Jet, which had invested heavily in a purpose-built private terminal.

Equally, political unrest in some parts of North Africa and the Middle East meant that there was little traffic there, but by contrast Saudi Arabia is booming. Last year, Jet Aviation opened a new FBO in Medina and it has plans for more new locations in the country. It has also prospered in Dubai, where a competitor closed its operation last year and it has great hopes for the new Dubai World Central airport.

Jet Aviation has also been rolling out new arrangements for direct fuel sales at all of its locations, in some cases through a cooperation with major fuel providers. "This is another good revenue stream and we can provide a better response to customers' needs this way," Straub told **AIN**. "A lot of FBOs struggle with this [providing fuel quickly for bizav operators], because the main fuel companies are generally busy serving the airlines' needs. We've had good feedback about our fuel."

Straub acknowledged the rising costs FBOs face but said that so far his company has resisted the temptation to raise handling rates. "It is quite competitive in many locations and customers are more willing to move [from one FBO to another]," he said. "There is less loyalty, especially among trip-support organizations."

In a tough market, Jet Aviation believes that the strength of its large network and its comprehensive service portfolio set it apart. "We are not only serving customers with handling and MRO services, but we are also doing completions, MRO and [aircraft] management," said Straub. "We see a lot of our customers using our different services and the trend is to try to integrate these."

Dubai-based **Jetex Flight Support** has a wide view of market conditions from the perspective of being a global flight-planning group, but also as an FBO operator at Paris Le Bourget, Shannon in Ireland, and the Ukrainian capital, Kiev. "Some of the locations we serve, such as China and the Ukraine, have seen really strong [traffic] growth, and right across the CIS too," said president and CEO Adel Mardini. Across the Middle East, the company has seen stable movement levels overall, with marked increases in locations such as Saudi Arabia, Qatar, Abu Dhabi and Dubai.


Adel Mardini, JetEx Flight Support president and CEO

The company has indicated that it would like a presence in the UK, and, as a possible first step, it is now sponsoring the flight-planning suite at Oxford Airport. But its flagship base in Europe is at Paris Le Bourget Airport, where it boasts one of the newest facilities at this highly competitive hub. It also provides handling supervision in several African countries, including Ethiopia, Burundi, Congo and Algeria, and has its own office in Beijing

Most-Rated Countries
(based on number of responses)

Country	Responses
United Kingdom	295
France	221
Germany	111
Italy	110
Switzerland	94
Australia	66
United Arab Emirates	65
Spain	55
Russia	34
Hong Kong	31
South Africa	30
Ireland	28
Saudi Arabia	26
St. Maarten	26
Netherlands	24
Belgium	23
China	21
Thailand	20
Singapore	19
Austria	18
Sweden	18
Greece	17
Turkey	15

**Countries with the same number of responses are listed alphabetically*

FBOs Showing the Largest Increase in Overall Average from 2012 to 2013

FBO	Airport	Code	2013 Overall Average	2012 Overall Average	2012-2013 Change
Signature/AviaPartner	Nice Cote d'Azur Interational	LFMN	8.0	7.1	0.9
Signature Flight Support	Paris Le Bourget	LFPB	8.3	7.5	0.8
KLM Jet Center	Amsterdam Schipol	EHAM	8.3	7.7	0.6
Jet Aviation	Geneva International	LSGG	7.9	7.5	0.4
Abelag Aviation	Brussels National	EBBR	7.6	7.4	0.2
TAG Aviation	Geneva International	LSGG	8.4	8.2	0.2

FBOs with the same overall average are listed alphabetically.
FBO information provided by Ac-U-Kwik

INTERNATIONAL TOP RANKED FBOs


KLM Jet Center, Amsterdam The Netherlands

continues to pose challenges, requiring quick thinking on the part of FBO staff.

8.3

KLM Jet Center, Amsterdam, the Netherlands

The KLM Jet Center at Amsterdam Schiphol Airport has clearly benefitted from being relocated to this major international gateway's new general aviation terminal, which opened in 2011. This offers extremely convenient airside-to-groundside access, and a covered canopy allowing passengers and crew to board and disembark comfortably in all weather.

The facility is part of the KLM Air France airline and has an FBO at Rotterdam Airport as well, about 30 miles to the southwest. Rotterdam is the only Dutch airport open around the clock, providing valuable flexibility.

However, facilities apart, FBO director Edwin Niemöller firmly believes that nothing short of consistently attentive and professional levels of customer service will suffice in these highly competitive times in the ground handling market. "The important things are getting the basic services right and having a strong focus on the [handling] team," he told **AIN**. Team selection can make a big difference, with the manager needing to consider which employees tend to work best together.

In dealing with the inevitable traffic peaks and troughs, Niemöller said he is fortunate to have colleagues with a flexible attitude to working hours (something that can't always be taken for granted in Europe). In his view, KLM Jet Center has benefitted from a working environment in which the company and staff exercise a balanced give-and-take attitude in responding to changing needs.

"If they [the staff] will do it for each other [helping out during busy times], then you know they will do the same for the customers," Niemöller explained. "About 70 percent of our staff has been there for 15 years or more. It's their business and they know the pilots best. We get a good rating because people know that we have really good ground crew."

Small gestures can go a long way, such as spotting that a pilot has had a hard day and offering him a couple of complimentary beers to enjoy in his hotel room. That takes the sort of human intuition and instinct that doesn't come readily from formal training.

According to Niemöller, the KLM Jet Center has also benefitted from having a good working relationship with the airport management at Schiphol. He has regular meetings with them to discuss how general aviation can happily co-exist with the airline traffic at this crowded hub. This has resulted in a more tailored slot application process for bizav operators.

Much of the focus for the FBO this year will be the introduction of new quality and safety management systems. The QMS will be heavily influenced by customer comments about what aspects of service matter most to them. Overall, the company hopes to achieve an even more consistent level of service, based in part on the sort of procedural consistency found at a well run airline.

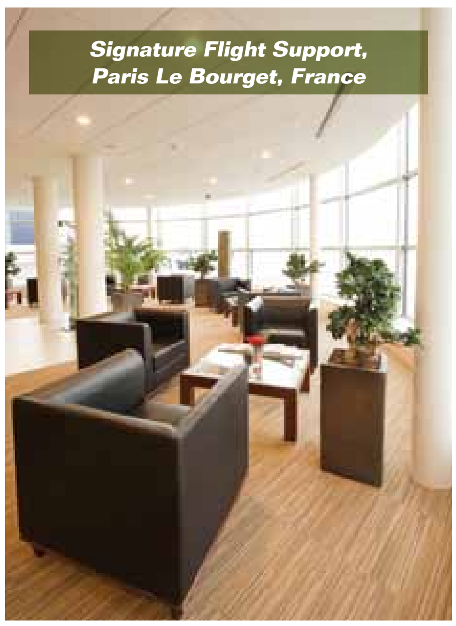
8.3

Signature Flight Support, Paris Le Bourget, France

At an airport that has seen lots of comings and goings in a crowded FBO market, Signature always has been in it for the long haul at Paris Le Bourget. Its FBO there has once again scored well in **AIN**'s survey.

Despite tough economic conditions, the U.S.-based Signature group has continued to expand its horizons in Europe. Last year it opened new bases at Berlin Brandenburg Airport (formerly Schoenefeld) and at Frankfurt International Airport, adding to its existing German presence at Munich International Airport.

The company now is set to start construction of its new terminal and hangar complex at London Luton Airport. The $31 million development will represent a significant upgrade to its established FBO at the 24-hour UK gateway.


Signature Flight Support, Paris Le Bourget, France

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to provide support across China.

According to Mardini, a strong focus this year at Jetex will be on further development of its IT capability, including the launch of a new online application. “Our real strength is that we handle our FBO [operations] and our trip planning together so our clients have more reason to use our services,” Mardini told **AIN**. “We focus strongly on price because it’s when service levels drop that clients start to look at the price.”

He would like Jetex to be able to pursue opportunities at more airports but admitted to feeling constrained in many places. “The Middle East is not open [to new FBO competition], in Europe it’s a matter of [limited] movements and in China it’s difficult for foreigners to build

HKBAC, Hong Kong

or manage facilities,” he said. “If there were better facilities in China I think traffic could double.”

Signature Flight Support also has seen a closer focus on price in the handling market. “The consumer mindset has completely reset itself around value,” said president and COO Maria Sastre. “The degree to which this puts pricing pressure and cost pressure on an [FBO] business depends on how that business is run.”

In her view, the new balance of power in an FBO’s relationship with its customers is no threat to the U.S.-based group. “Our winning advantage has always been our footprint and the size of our network [at 115 locations], plus our award-winning service, with our standards measured by an outside firm,” Sastre told **AIN**. “We strongly believe in the service proposition and world-class safety, with safety and training programs instituted by NATA [the U.S. National Air Transportation Association].”

Four years ago Signature conducted a deep assessment of customer expectations, with a view to being clearer on their needs and priorities. “Sometimes what you think the customer wants and what [the customer actually wants] are diametrically opposed, so we retooled to respond to this,” she explained. “The research validated what we thought was important but it also allowed us to reallocate resources and relaunch our loyalty program. We also found what the customers wanted in a premium service, and to get clearer on how to provide this we introduced the Service With a Leading Edge program, led by RitzCarlton [the hotel group].”

Focus on Hong Kiong

Meanwhile, **Hong Kong Business Aviation Centre** (HKBAC), in which Signature is a shareholder, says that a new booking system for aircraft parking is helping operators to plan better for access to the crowded hub. This means that parking can be booked right after a slot has been allocated and, according to the FBO, approval can be granted at just six hours’ notice now, although officially operators are urged to allow three days.

Business aircraft movements in Hong Kong numbered approximately 7,000 last year, a slight increase over 2011. HKBAC general manager Madonna Fung says she has seen a growing trend for flights to and from second- and third-tier cities in mainland China.

HKBAC has renovated the first floor of its executive terminal and added a new crew lounge that was set to open by the end of last month. Last year, the company opened a third hangar, increasing capacity by 60 percent, not only for aircraft parking but also for operators needing space for maintenance.

It also increased staffing levels, in part to be able to handle the need to tow aircraft to remote parking bays at the airport. It has also stepped up staff training with the introduction of a management trainee program, through which newer personnel receive on-the-job training from experienced managers.

At **ExecuJet Aviation**, group FBO director Mark Abbott was able to deliver cautious optimism in his assessment of market conditions. “Despite being an

ABOVE AND BEYOND

For the first time this year, **AIN**’s FBO survey asked respondents to identify specific FBO employees or teams that routinely go above and beyond when it comes to customer service. We received more than 500 responses to this question. Below we have highlighted 5 individuals and teams who were repeatedly recognized, but we encourage further exploration of this list at ainonline.com/above-and-beyond-2013.

Name	FBO	Airport Code
Christof & Staff	Landmark Aviation	LFMN
Bernard Ratisra	Jet Aviation	LSGG
Dorothée Bertrand	Aéroport International du Castellet	LFMQ
Wayne Dooley	ExecuJet Middle East	OMDB
Staff	Signature Flight Support	EIDW

INTERNATIONAL TOP RANKED FBOs


Harrods Aviation, London Luton, UK

In Asia, Signature’s existing platform for exploiting the great potential for bizav growth in that region is its Hong Kong Business Aviation Centre joint venture. The BBA Aviation group company has established a management team for Asia tasked with tapping expansion opportunities there.

According to Signature president and COO Maria Sastre, the FBO chain has outperformed generally below-par market conditions that have seen only marginal increases in traffic worldwide of around 2 to 3 percent. “The European region has seen a disproportionate drop in business compared to North America,” she told **AIN**. “Asia and Latin America are seeing stronger growth, but from a far lower base.”

Meanwhile, in the south of France, another well regarded FBO is Signature’s facility at Nice-Cote d’Azur Airport. This is run through a joint venture with AviaPartner.

8.2

Dassault Falcon Service, Paris Le Bourget, France

Built around one of the French aircraft manufacturer’s key product support facilities, the Dassault Falcon Service FBO has built a loyal following in its many years at Le Bourget Airport, where it now faces competition from no fewer than seven other FBOs. The past couple of years have seen expansion of both hangar and ramp parking space, as well as investment in more ground equipment. There have also been improvements to crew areas of its private terminal.

One driver for these developments has been an increase in the average size of the aircraft using Le Bourget. This has meant creating larger parking bays in the hangar and on the apron, as well as bigger tow tractors to cope with the inevitable need to move jets around.

8.2

Harrods Aviation, London Luton, UK

After more than two years under the ownership of the Qatar Holding group, Harrods Aviation continues to focus squarely on its two-pronged presence in the key London market with FBOs at both Luton and Stansted airports. According to sales and marketing director Will Holroyd, this year started positively with above-forecast traffic volumes. “Last year was a year of ups and downs,” he told **AIN**. “We had a strong spring and early summer, partly due to the Olympic Games, which, in particular, brought an increase in head-of-state and large VIP traffic. But then the autumn into winter period saw slight dips at both Luton and Stansted.”

Last year Harrods made investments to stay on top of new European security requirements, as well as new equipment for its bases. “One big change was our investment in new fueling trucks, and we now have multiple trucks at each of our locations,” Holroyd explained. “This means we can refuel any type of aircraft ourselves, saving time for our customers.”

At the same time, the company has increased staffing levels in the quality and standards department, as well as some other behind-the-scenes functions. “The Harrods brand [Qatar Holding also bought the famous London department store] helps a lot in being able to recruit the best staff,” said Holroyd. Harrods has its own in-house customer service training program, which was jointly devised with the high-end store.

Also keeping Harrods on its toes is the intensely competitive environment among London-area FBOs. At Luton, the company has


Dassault Falcon Service, Paris Le Bourget, France

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industry in distress and in recovery mode, we have seen positive results in terms of handling activity," he told **AIN**. "In fact it's been surprisingly good. This financial year we've handled around 20,000 movements across the network. More popular destinations like Dubai have seen a steady increase, although some other locations have seen a drop."

Looking ahead, it is Africa and Asia that are getting Abbott and his team excited. "Africa is alive now," he said. "Activity in Lagos [Nigeria, where ExecuJet opened a new FBO last year]

Signature/AviaPartner at Nice

has started to increase and Johannesburg remains the business gateway to the continent. Cape Town remains an important destination, mainly for leisure."

The Switzerland-based group's FBO network is expanding across multiple continents. "In Africa, which was previously a dumping ground for older-generation business jets, we are now seeing much newer aircraft," Abbott explained. "We are seeing North American operators basing aircraft there and providing service to African clients and we're seeing more sales activity, which is making the manufacturers quite bullish in terms of future growth. We have an advantage there because we can provide turnkey solutions for MRO, avoiding the need for expensive positioning flights to get aircraft repaired in Europe. Operators from outside Africa can now operate there with relative peace of mind."

ExecuJet's 50,592-sq-ft hangar in Lagos can house a pair of Boeing Business Jets, and the facility also boasts 269,000 sq ft of apron space. The company has just broken ground to build a five-star hotel that will form phase two of the FBO development.

Beyond Africa, ExecuJet has also been growing in the Middle East, with a new FBO in the Saudi capital, Riyadh, a joint venture with Nasjet that was due to open by early last month. "We believe we can get operators to change [FBO] allegiance there when we open, and we will probably have around 4,000 movements in the first year," said Abbott.

Farther east in Indonesia, the company is drawing up plans for a new FBO in Bali, where it will have exclusive handling rights for an anticipated 7,000-plus general aviation movements in the first year. ExecuJet's agreement with Indonesian airport group Angkasa Pura calls for the construction of 13 new business aviation terminals around this large Southeast Asian country.

But Abbott, too, confessed to feeling the price/margin squeeze. "The market is price conscious at the moment and we do need to increase prices based on increased costs," he said. "We are still finding that customers are willing to pay more for quality service, but if they are not then that's where the problem comes. Margins are certainly tight in the FBO business. We will discount [handling fees] on volume [of movements] but it might be a cumulative volume throughout our network."

Like most FBO groups, **Universal Aviation** has continued to see significant fluctuations in traffic levels. "Predictability is a big challenge," said Jonathan Howells, the U.S.-based group's regional v-p for Europe, the Middle East and Africa. "January and February [2013] were busy, but it can immediately go quiet and that makes it harder for all FBOs." He was eagerly awaiting early indicators of how traffic might build up across Universal's European network from March, when the busier season would typically begin. But with bases in financially insecure markets like Spain and Italy, surely there must be concern? "No, we certainly haven't seen our business nosedive in those countries," he told **AIN**.

At London Stansted Airport, Universal now has to compete with four other FBOs, which it sees as testament to how business-aviation-friendly the airport has become. "We are seeing traffic switching from airports like Luton because parking, fuel and landing fees are cheaper," Howells said. "However, I don't think there will still be five FBOs at Stansted a year from now."

Universal expects most future growth in its ground handling network to come from China, the rest of Asia and South America. "When we look at potential new airports, we have to consider projected traffic there and the strengths and weaknesses of the incumbent FBOs," said Howells. "More than 80 percent of traffic still goes to only around 250 locations around the world. We already cover a lot of the top 50 locations." The company recently opened a flight-planning office in Hong Kong and expects to expand into Africa fairly soon.

Universal's flight-planning teams are finding that operators are placing a greater emphasis on compliance issues relating to safety and financial matters. "They want to know for sure that we have reliable local representation and contacts in case something happens," said Mark Hazard, divisional vice president of trip support services. "Operators are wanting to know why they are being asked to pay five or six different people [for various aspects of handling], and they want more transparency."

As a trip planner, Universal sets its own benchmarks for service quality in the FBOs it chooses for clients. Its global partnership managers rank handlers around the world with a view always to having a best available option for clients at all locations. "The list is fluid and we let people know what it takes to move up and down [the rankings]," said Hazard. "We believe this is a differentiator. But some locations are simply not adequate, and then we just have to let the customer know what to expect. But that type of location is getting smaller in number all the time." ❏

Other Frequented FBOs in the Eastern Hemisphere

FBO	Airport	City
Ali Trasporti (ATA)	Milan Linate	Milan
Biggin Hill Executive Handling	Biggin Hill	London
Cannes Airport Holding	Cannes-Madelieu	Cannes
Capital Jet	Beijing/Capital	Beijing
Eccelsa General Aviation	Olbia Costa Smeralda	Olbia OT
ExecuJet Europe	Zurich	Zurich
Grafair Jet Center	Stockholm City/Bromma	Stockholm
Jet Aviation	Dusseldorf	Dusseldorf
JetEx Paris	Paris Le Bourget	Paris
Landmark Aviation	Nice Cote d'Azur International	Nice
Mjets FBO	Don Mueang International	Bangkok
Northolt Jet Centre	RAF Northolt	London
Service People	Hamburg	Hamburg
Sky Services	Rome Ciampino G B Pastine	Rome
Skylink Services LTD	Larnaka International	Larnaka
Universal Aviation	London Stansted	London
Vienna Aircraft Holding	Vienna International	Vienna

These FBOs, listed alphabetically by name, received nearly enough responses to statistically qualify their rating to be included in this report.

INTERNATIONAL TOP RANKED FBOs

direct competition from two other FBOs (one of which is now making a significant investment–see Signature). At Stansted, there are now five FBOs vying for relatively stagnant levels of traffic. "There is too much competition [at some airports] and it can be difficult to remain profitable," Holroyd commented. "We're seeing people entering the market for what I expect to be short periods of time, but I see no end to this while the airport owners are content to accept ridiculous rents."

"The market is definitely more sensitive to price now, but the notion of low cost at FBOs can be deceptive [for customers]. If the lead passenger is happy to sit in a car for two hours after flying eight hours then they probably can find a cheaper FBO. Low cost comes at a cost, and it can be high," Holroyd concluded.

8.0

Swissport Executive Aviation, Nice Cote d'Azur, France

Nice Cote d'Azur Airport on France's popular Mediterranean coast is one of two branded FBOs operated by the airline handling group Swissport. The other is at Geneva International Airport in Switzerland.

As a prime example of the sort of fluctuating factors that can affect any given FBO's business plan, the Nice location had a quieter-than-normal peak summer season last year because the Ramadan religious holidays fell early during July and August, reducing the amount of visiting traffic from the Middle East. By contrast, explained Swissport Executive Aviation global sales director Rebecca Durrer-Bolle, the Geneva FBO "had its best year ever."

Swissport is unusual among airline handling groups in consciously seeking opportunities to expand into the more specialist executive aviation market. Durrer-Bolle told **AIN** that whenever the group wins a license to serve the air transport sector in any given country, it always seeks to offer some sort of business aviation service at locations where this makes sense. For example, the past year has seen it expand this part of its service footprint to five locations in Morocco (with another two about to be added).

The Swissport group is present at 192 airports in 38 countries around the world. One clear advantage of being part of such an extensive handling group is that Swissport Executive can tap into its economies of scale, a factor that is more significant in these times of rising operating costs and squeezed profit margins. "If we have a really huge day [for executive aircraft handling] we can always borrow experienced staff from our parent company," Durrer-Bolle said. It can also offer operators discounted handling contracts for using its locations around the world. ❏

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All FBO information was provided by Ac-u-Kwik, "business aviation's most respected flight planning resource."