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The private aviation sector is currently flying higher than ever before. As well as being because of new security measures taken by airports and the fear of attacks, the change in this market is above all linked to economic growth.

The stringent security measures put in place at airports and at airlines after the terrorist alert in London on the 10th August have certainly played a role in the increase in demand to go private. The private companies benefit from a flexibility that the large operators are unable to match. At these companies there is no need to follow European law regarding hand luggage which came into effect on the 6th November in Switzerland (see below). But above all it's economic growth which is fuelling private jet fever. "When growth rises above 3% in the United States, we sell the planes. For me the security issues have triggered a process which was happening in Europe", rationalises Pierre Condom, ex pilot and inspections manager at Interavia and Air 1 Cosmos.

The old continent is therefore following the changes happening in America, though it is quite a way behind. Habits are changing as well. In the world of business, using a private jet is no longer seen as a vulgar way of showing off one's fortune but as a way of gaining time and productivity. It is now considered normal. At the same time, private leisure flights are increasing. "Before, we were relatively quiet on the weekends. Now it's a time when there is as much activity as there is during the week", said Jet Aviation. Europe is breaking free and is taking over the skies by offering something a little more varied.

In 2006, NetJets Europe's purchase of 24 Falcon 7X jets for around 1.1 billion dollars – the biggest order in European aviation ever made, strongly highlights the growth in the private aviation sector. It also highlights its interest in transatlantic flights as these planes fly higher and faster than the other Falcons and have a large range. Finally, the increase in the company's European fleet in 2006 is even clearer proof of the appeal among customers to go private. The number of planes operated by the company has risen over the course of the year from 89 to 125 (out of more than 630 worldwide).

NetJets has certainly played an important role in the development of private aviation by offering its European customers a shared ownership system since 1996. Jean-René Saillard, NetJets representative for the French speaking part of Switzerland and vice president for Europe, has noticed a strong increase in customers which he thinks is not linked to the events of the summer. "In 2005, we saw an increase of 70% in customers in French speaking Switzerland and 38% in Europe. This year we could see a similar increase. I think that our cards system including a prepaid package of 25 hours of flight time has been the driving force behind this increase. This system makes access to the private sector more manageable and as the service is quite addictive, the customers soon want to have a share in a jet."

At Jet Aviation, who has 180 planes worldwide with 20 of them in Switzerland, sales manager Jean Philippe Vincenti describes the situation as "a little euphoric". "We are going to finish 2006 with the best results ever recorded, even though 2005 was already exceptional". The majority of our planes are being run for companies or private individuals, and as a rule Jet Aviation does not buy its own planes. Without increasing our fleet we have seen demand increase by 20%, explains Philippe de Vincenti. We have had to make arrangements with our competitors".

It's the same story at Tag Aviation, the group who bought Aeroleasing in 1998. "We have a worldwide fleet of 200 planes where 50 of them will be based in Europe by the end of the year. Between 2005 and 2006 we have seen a progression of over 100%", explains Robert Wells, the general manager for Europe. "I think that it is to do with the current situation but also due to the fact that we are becoming better known. I've also noticed that we now have more and more customers for long distance flights. This is due to the great deal of business that is carried out between countries all over the world"

Big is beautiful

Every private jet company has experienced a particular upward trend - the craze among the wealthiest of their customers for the larger models - planes costing up to 50,000 dollars a trip. This has several factors, one of which is the desire to be able to go on transcontinental flights. At NetJets, the demand for these large planes is so high that there is now a customer waiting list. "I no longer offer a card for the L and XL categories (Falcon 2000 and Gulfstream V/550). We are going to receive a new plane in November and everything is already sold out. This is quite a recent phenomenon", states Jean-René Saillard.

Jacques Pierrejean, specialist in fitting out the interiors of planes and boats, has seen a spectacular increase in demand for the larger models. "For two or three years, the private customers have been asking me to fit out bigger and bigger planes such as the Boeing B737 BBJ and the Airbus A319 ACJ. Before, I worked on two or three planes of this kind per year. Today I have about twenty or thirty. It's the same phenomenon with yachts." The customers are favoring more and more a certain simplicity. "At the moment they are trying to avoid the "golden look". The customers from the east where there is a strong increase in numbers ask for this look occasionally, but today's view is that the more functional the plane's interior is, the more style it has. Our customers use their jet, hire it, and even share it".

Buying big can constitute a wise investment, believes Pierre Condom. "Using Boeing or Airbus for private aviation is still developing, but the planes being sold are getting bigger and bigger". A logical move, in his view. "If I had to buy a plane, my choice would be either one from the Airbus 320 series or one of the Boeing 737's. These are the most common models of plane in the world, for which there are many trained pilots and above all the spare parts are good value. As they are mass produced, they are relatively inexpensive, at around 40 to 45 million dollars. A second hand one can be found for around 8 million. After repairing it, this puts its value at around 14 to 15 million. And as they are made to fly for 2,500 hours per year, they will last long in the private sector as the annual usage is around 500 to 600 hours".

PrivatAir has for a long time filled the niche for supplying large aircraft with luxurious interiors designed to cater for VIPs. "We continue to offer this service, but our main activity today consists of collaborating with the regular companies for routes they do not cover or where there is a high demand", underlines Tony Hinder, their Communication Manager.

And it's the same story for helicopters too.

At Swift Copters in Geneva, who have a fleet of around 10 machines of which six belong to private customers, they have seen the same trend as the one seen in the private aviation sector. "There has been an explosion in demand between 2005 and 2006. And I know that many machines are about to arrive in Switzerland", explains manager Jean-Marc Regis.

In this field also, the customers wish to have machines that are larger and more luxurious. "I am currently waiting for 4 additional helicopters. They all have twin engines, which offer increased security. The performance of these machines is also better, and they are faster as well". Some of these machines cost 7.5 million Swiss francs, while smaller models are worth around 2 million.

Who is the target market? "Mainly very wealthy people as flying time is very expensive - around 6,000 francs for a twin motor, plus the maintenance is also costly. They are very demanding, wanting a spacious interior, fitted out like an aeroplane with leather seats, plasma screen, with sound filtering earphones. These are also very busy people. As a helicopter is slower than a plane, we are able to offer a door-to-door service. It takes around 1 hour 45 minutes to arrive in Paris but we drop off our clients in town, in Issy-les-Moulineaux which is right next to the Défense district."

Pocket planes

The private aviation industry is becoming more and more diverse. It is offering services to suit all kinds of different travelers. As one half of the clientele is going large, the other prefers to travel in a smaller craft. The small plane could revolutionize the habits of air travel.

JetBird, a start up company is looking to take advantage of this craze by creating a plane-taxi company based in Zurich. Its founder, Domnhal Slattery, wants the company to be the business airline equivalent of the low cost commercial airline. He believes the new revolution in the skies will be his Very Light Jets (VLJ).

A few manufacturers have decided to start producing them. In the United States, the company Eclipse Aviation has released on to the market the Eclipse 500 priced at 1.5 million dollars. It is capable of traveling 2,000 kilometers non-stop at a speed of 700 Km/h. The first of the planes were delivered in early August and Eclipse has a full order list with 2,500 planes to be built between now and 2011. Half of these will be for private owners and the rest for flying taxi companies such as DayJet, who have ordered 250 of these planes for an operation set to begin in early November.

The 'Angels' of the Sky

Unused seats in jets used to transport cancer patients.

Marie-Christine Petit-Pierre

In the United States, the company Corporate Angel Network has been running a system since 1981 where people with cancer can travel to their appointments by private jet. The concept is to use the spare seats in the planes belonging to businesses, in order to ease the stress of patients, avoiding the crowds at commercial airports and relieving them also from financial worries.

To benefit from this service, the patient must go to a recognized treatment center and must be capable of boarding the plane unassisted, without requiring any medical assistance during the flight. They can however take an accompanying passenger with them and two if the patient is a child.

These passengers are made aware of the behavior that is expected of them, such as discretion and appropriate dress, as they are traveling in what essentially are the extensions of a company's offices. The journey costs neither them nor the company anything. In effect, the plane is chosen according to its destination. It therefore does not make any detour from the original route to drop these special passengers off at the hospital. It sticks to the normal network. Five hundred American businesses take part in this scheme.

Sixty or so volunteers look after the logistics of this project. And the system works well. The jets of the organization's members are used for around 200 of these flights per day. The offices of The Corporate Angel Network are situated at the Westchester County airport, in New York state.

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**A JET OWNER SPENDS MORE THAN
150,000 FRANCS PER YEAR ON CLOTHING”**

Marie-Christine Petit-Pierre

After observing a rapid increase in private aviation, an American editor, Douglas D. Gollan, had the idea in 2001 to launch a magazine aimed at the super rich.

A kind of “written gossip” which gives advice on the best hotels on the planet, the personal phone number of the manager or the best spa therapist.

Private aviation is a rapidly expanding market, and Douglas D. Gollan doesn't doubt that for a second. Therefore in 2001 he created a magazine aimed at what he calls “globetrotting elite travellers” or more to the point, the “super rich”. It's those who own a plane and / or a yacht, who are liable to spend fortunes as they travel around. Elite Traveler, which is issued six times a year, likes to see itself as the guide to the best places on the planet. Furthermore, a bi-weekly newsletter keeps the commercial partners up to date with the latest trends appearing in the private aviation sector. “Don't forget”, says the specialist for top of the range travel, “that the people who travel by private jet spend around 10,000 dollars for each hour of flight. They are surely our best customers!” Douglas D. Gollan, has chosen his field and dedicates all his attention to these customers from his office on Second Avenue, in New York. Online interview.

Le Temps : How did you come up with the idea to create "Elite Traveler"?

Douglas D Gollan: It came from noticing many things. Firstly, there was no magazine exclusively aimed at the ultra wealthy, those who are worth at least 15 million Swiss francs, which is less than 1% of those considered as rich. It is the people who run the world, the heads of companies, businessmen, politicians, celebrities, stars, members of royal families. Secondly, since the end of the 1990's, private aviation has seen an unprecedented development, linked to the fact that commercial aviation is often delayed, due to air traffic congestion. Commercial aviation has also been confronted by competition from the low cost airlines and has been axing more and more internal flights, particularly in Europe and in North America. Added to this are the many security related fiascos. To travel in this way has turned into quite an unpleasant and time consuming experience. Which is where the private aviation boom has come from. It is therefore a good time to create a magazine for private jet owners!

How much do you think the purchasing power amounts to among these customers?

- Recent research revealed that each private jet owner spends more than 175,000 Swiss francs per year on watches, 300,000 francs on jewelry and 150,000 francs on clothes. And yet these super rich consumers are confined to their cabins for the two or three hour duration of their flight. It's therefore in their plane or their yacht where they pick up the magazine. We have around 430,000 readers worldwide.

You have therefore perfectly targeted your readership...

- Yes 100%. We are adapting entirely to this market. You will never see an article in our publication on hotels with discounted prices. We only include the top suites of the best establishments and we give information such as the personal telephone number of the manager so that our clients receive service of the highest excellence in every respect. Or for a spa, we give the name and telephone number of the best therapist.

The magazine has to play a role as a guide specialized in catering for private jet users.

And your newsletter?

- When we met people from the luxury goods industry to present them with our magazine, we noticed that most of them were not familiar with the profile of the average private jet owner. We explain to them who these people are, how much they spend, what they are interested in and what are the latest trends. We therefore mail out our newsletter to more than 10,000 managers in the luxury goods industry.

What do you think about the development of private aviation in Europe and in Switzerland?

– It is increasing very quickly. NetJets, which sells subscriptions or shares of planes, has grown by 1,250% in the last 4 years. At Geneva airport, there are more private jets based there than there are liners. The planes come from all over the world, so it's therefore a global market. And it is expanding everywhere.

And in the world?

– In Los Angeles and New York, there are more than a thousand private jet movements per day, which is more than any of the big commercial companies. And the Federal Administration for Aviation expects in the United States an increase of 300% in flight hours in each category in the next five to ten years. And it is in fact the sector which is experiencing the fastest growth in the luxury market. Today there are 25,000 private jets in the world – a figure which is set to double in the next 10 years, according to Honeywell (one of the largest suppliers of aerospace products, editor's note) – whereas the 25 largest commercial companies have a total fleet of less than 10,000 planes. More than two months after the terrorist threats in London, the private jet operators continue to see a increase of 50%. In my view, someone who has sampled private aviation does not then go back to using commercial companies.

Which are the emerging markets?

– Take India for example, where 70 private jets are now based: this represents an increase of 400% in five years. And it's not going to stop there as the model for shared ownership is promoted by the One Air club, based in New Delhi. Its members, who are extremely motivated people, buy flight hours. This also attracts Indians wanting to buy themselves a jet, but who must go through long administrative procedures. This helps them with their wait.

How do you see the mid term change in the aviation market?

– I think that in the next 10 years the low cost airlines like EasyJet and Ryanair will take charge of flights under three hours. Companies such as Air France, Swiss, Lufthansa and British Airways will concentrate more on the longer distance flights, subject to government rulings. They will offer a 1st Class service with beds provided, as only 5% of private jets have a big enough range for intercontinental flights. There will also be partnerships between airlines in the private sector such as the deal already made by Lufthansa and Swiss with PrivatAir, where a flight can be taken first class from Singapore to Frankfurt followed by a flight by private jet to Sardinia for example. Private planes are on the whole underused, averaging one hour in the air per day per year compared to 10 hours a day for an airline plane. This means that if the private fleet of planes doubles and demand increases, we will see a very sharp increase in the number of private jet journeys.

We must also allow for the arrival of the super-light jets. These are four to six seater planes that can be bought for two million Swiss francs. They will firstly be used for short flights. 5,000 of them have been ordered for the next few years.