

ASIAN BUSINESS AVIATION ASSOCIATION HITS NEW HEIGHTS

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2015 was a milestone year for the Asian Business Aviation Association (AsBAA), which added 21 new members and saw its total membership exceed 100 for the first time since the organization was formed 16 years ago. “We are really making strides in being recognized as a disciplined association with pure unbiased intentions to improve business aviation as an industry across the region,” noted current AsBAA chairman, Charles Mularski.

In order to represent an even broader range of the industry, the organization recently added two new tiers to its membership. Along with the corporate and platinum levels, AsBAA has now opened up small company and individual memberships as well, furthering its role as the industry’s voice in dealing with China’s CAAC and other civil aviation authorities in the region.

“I have to say we are pleased to see how AsBAA is welcomed at all times to discuss challenges as well as helping the regulators in communicating back with our industry,” said Mularski, who is also Universal Weather and Aviation’s senior vice president for the Asia Pacific region. “However, in China we still see a certain level of resistance to working together as a group to leverage what AsBAA is designed to achieve, instead of fragmenting efforts for the same goals.”

He called for more Chinese operators and service providers to step up and take a more active role in the organization's leadership. Over the past year, AsBAA has held more than 15 regional committee meetings, and hosted Asia's first-ever business aviation awards. Its members also collected more than \$32,000 for Project Orbis, the international vision-saving charity.

Among AsBAA's campaigns in 2015 was the Zhuhai CIQ (customs, immigration and quarantine) trial for Hong Kong ferry flights, working with Hong Kong's Civil Aviation Department to improve the slot system there for business aviation. It also organized safety seminars, and engaged with learning institutions such as Beijing's Civil Aviation University and those in Hong Kong to attract graduates into the industry.

Regarding the recent slowdown in new aircraft orders into China, Mularski, who will serve as AsBAA chairman through 2017, noted the same reasons that have been widely reported: a slowdown in the economy, anti-corruption and austerity measures imposed by the government, and the volatility of the Chinese stock markets, which have served to slim the order books for the aircraft manufacturers.

"I wouldn't call it a crisis, but rather what we are seeing is a normalization," he said. "In aviation terms, our industry had been in a full-power, fast climb profile for some years; and now we have transitioned to long-range cruise mode," Mularski told AIN, noting the change in what had previously been an aggressive market for new and large aircraft. "It's an economics correction where supply is much larger than demand. When the two balance, we will see stable growth again."

One natural possible evolution, he noted, would be in the strengthening of the pre-owned market and a diversified fleet size as operators "right-size" their equipment to better meet their mission needs, and trigger new entrants to the market with smaller, more affordable entry-level aircraft.

While aircraft sales may have slumped of late, operationally Beijing and Shanghai have seen record numbers of business jet operations over the past year, meaning traffic to and within China is still growing.

Overall, while the rest of the region remains stable in terms of new aircraft orders and a slight increase in flight activity, Mularski believes 2016 will not be a strong year for growth, and he's looking ahead to 2017 for tangible signs of improvement.

In the meantime AsBAA's focus is on attempting to change what it can, including the industry's perception in what is its largest market in the region. "Business aviation in China is seen as a lifestyle of the super wealthy, sometimes with bad press for those who own a business jet," said Mularski. "We need to have campaigns such as "No Plane, No Gain" in the U.S. [and we need to] gather data to show how business aviation is a business and economic tool to make companies more effective; how business aviation creates skilled jobs; and how business aviation plays a crucial role in humanitarian responses."

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