

BUSINESS AVIATION FOR REGIONS

News / Business aviation



*Russia's leading **business aviation** operators continues to sum up the current year and share their thoughts on the development of the segment in the future. Today our partners Bizav Week guests are TOP management of Weltal Avia, which is the largest operator in Siberia and the Far East, Andrey Kolomoets and Denis Menshov.*

Past 10 months have clearly shown that Russian domestic market is exposed to variability. Terrible start of the year stabilized a bit closer to the fall. What was this year to your company and what are projected operating results by the end of 2015?

I think we will be close to 2014 figures by the end of 2015. Sucg results we will have due to the implementation of renovation program of the airline's fleet. 2 of our aircraft were taken out of service for carrying out severe TR. We can't wait for the increase in 2015, after all, currency appreciation directly affects the value of business aviation services, particularly for those companies with foreign aircraft.

Andrew Dennis, this year many analysts tend to talk about a certain correction of the market in favor of domestic destinations. What is the share of domestic flights in your company's total traffic?

Yes indeed, the number of domestic flights has increased this year, but given that we are already working mainly at domestic areas, the proportion of these flights as a percentage increased slightly. Probably it is an effect of a sharp exchange rate jump, minimizing of business cooperation with the EU, and therefore economic activity of companies.

The fleet is the trump card of any operator. Please tell us about your modernization plans for the future?

Today we have 5 aircraft in our fleet (3 Hawker-700, 1 Hawker-800 and Mi-8AMT (VIP-grade)). They are based aircraft in Moscow (Vnukovo-3), Novosibirsk, Bratsk, Irkutsk and Khabarovsk. Since the beginning of 2015, we launched a large-scale rebranding program, which includes a complete upgrade of the cabin exterior painting of the fuselage, the introduction of new regulations for passenger service, according to which all aircraft will be equipped with satellite phones and media entertainment media systems.

By November , we have completely renovated and equipped two aircraft - a Hawker-700 RA-02804 and Hawker-800 RA-02773, and had a major overhaul with the updating of the interior and exterior painting of Mi-8AMT. We plan that by the autumn of 2016 2 more aircraft - Hawker-700 RA-02809 and RA-02811 to be updated in accordance with the corporate identity of the airline and will get the most intensive forms of maintenance (48 months).

There is a misconception about the safety of the flight directly dependent on the age of the aircraft. In fact, among the professionals, there is no doubt, that a major component of safe flight are pilots. It is the fault of the flight crew, to be the cause of 75 -80% of all accidents. Technical issues – only 7%. The aircraft, which had 48 month of MRO is not very different from a new one. Therefore, we focus on personal training and high quality maintenance, which we are happy to get over last 5 years from "AVKOM-technology."

What business aviation segments you see as your company expansion potential in the future?

Today "Wetal-Avia" offers its customers:

- Chartering services, both on our own mid-size class aircraft, and our partners planes. Charter sale means not only high-quality service on board, but also full range of ground services (transfers, VIP terminals, fast track), as well as dedicated airline staff to meet client requests.
- Operation of private Mi-8 helicopters of various modifications under our AOC.

From 2016, we are ready to provide our AOC for all aircraft types, except for EMU.

What are main competitive advantages of your company?

Our main competitive advantage, I believe, is the fact that we are the only business aviation operator in Siberia and the Far East. We can organize a flight from any city in the eastern part of Russia without the huge costs of aircraft relocating. Our maintenance station for Hawker aircraft in Irkutsk is working already several years, allowing us to operate smoothly in the region.

You are present in several Russian regions. Can you compare the portrait of your client, for example, from Moscow and the Far East?

In fact it is pretty hard to do, as passengers in the Far East are often the same as those in Moscow, passengers who flew to Vladivostok, for example, on a regular flight are using our services in the region. Local customers are more alike than different with Moscow, perhaps, the only thing that distinguishes

Airports infrastructure. Foreign operators pay are telling about the very poor condition of airports and the lack of adequate services in this segment. Do you agree with this, and how the situation has changed in the last two or three years?

I totally agree with that regarding airports in Siberia and the Far East. The infrastructure for business aviation is just not there. We simply don't have VIP lounges in many small airports, so passengers have to pass with all the rest of public, there is no comfortable transfers for business passengers as well. Often we have to control the operation of the airport just because they did not pay enough attention to VIP passengers. Of course over the last 2-3 years there are positive improvements. But only in cities where there are more than one million of inhabitants. There major intergovernmental activities are carried out and airport infrastructure is especially prepared to take big business aviation traffic.

Andrew Dennis, which of all regions, in addition to Moscow and St. Petersburg, still inspire some optimism? Do you see a small but still growing , or the market really is in stagnation?

Of all the regions, I can only select Vladivostok, Primorsky Region, which to some extent is increasing every year . This is due to the development of business relations between Russia and China, Japan and South Korea, as well as the inaccessibility of some cities (Anadyr, Petropavlovsk-Kamchatsky, Yuzhno-Sakhalinsk).

Tell us basic things about your company history.

In 1999 we purchased the first aircraft - Yak-18T to perform aerial work in the Omsk region.

In 2001 we gained 2 helicopters Mi-2 to meet sanitation jobs.

From 2002 to 2003, the airline's fleet got 2 AN-2 aircraft.

In 2004, for the first time we took into operation two Mi-8 helicopters.

From 2004 to 2008, the airline has successfully worked in the Siberian Federal District. We carried out pipeline patrols, forest aerial work, air-chemical works, sanitary flights, cargo transportation. We increased the company's fleet up to 14 Mi-8T and 6 MI-2, 4 AN-2. Also in 2007, we acquired the aircraft Cessna 208B Grand Caravan.

In 2005 we received the AOC for Cessna 208B Grand Caravan and Mi-8AMT.

In November 2008, we received the AOC for commercial flights and created our own aircraft maintenance base.

In 2010 we purchased 2 Hawker-700 business jets. Two more of Hawkers were added to the fleet in 2014-2015 - Hawker-700 and Hawker-800.

Today, the airline's fleet consists of 3 aircraft Hawker-700, 1 aircraft Hawker-800, Mi-1 8AMT, 3 Mi-2 and 4 of AN-2.

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