



FOR ASIA-PACIFIC LCCS, MRO IS NOT LOW COST

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Being a low-cost carrier does not mean getting **low-cost maintenance**, a group of executives with Singapore-based **LCCs** agreed.

Speaking as panelists Thursday at the Aviation Week Network MRO Asia-Pacific conference in Singapore, executives from three airlines – Jetstar Asia, Scoot and Tigerair – named their top priorities in what they look for in an MRO provider.

Jetstar Asia head of engineering Ang Chee Keong, Scoot head of engineering Desmond Chew and Tigerair managing director Ho Yuen Sang listed strong safety culture, reliability and responsiveness when things go wrong among their must-haves.

“Simplicity is important for a low cost carrier – it’s essential not to make things too complicated,” Keong said. “And we have a strong safety culture so we look for MRO partners with similar culture. There’s no such thing as low-cost maintenance”

Chew also listed safety culture as a top priority. “Just because we are a low cost airline does not means everything we do has to be low cost. Safety is first.”

The executives noted that MRO costs in Singapore were becoming more expensive, while it was not possible to raise ticket prices in line with those increased costs. Keong said Jetstar was looking at potential options among MRO providers in other parts of Asia with lower labor costs, but Scoot's Chew pointed out that the cost of flying an aircraft to an overseas MRO base for maintenance could outweigh any savings.

"We always factor in the fuel costs of flying a plane to an overseas station to see if it makes economic sense. There's a lot of considerations when deciding whether to work locally or overseas," Chew said.

Tigerair's Sang said another consideration in MRO provider selection was whether or not to go with an OEM. "This is a big issue facing the industry. A lot of people are being squeezed out because they don't have the [new aircraft] data, so you have no choice but to go to the OEM. Third parties just don't have the information, capabilities and data."

Sang added that it was critical that an MRO provider understood the impact of delays in an airline's schedule when things go wrong.

"Some MROs don't understand that they have to support our network because if something bad happens that delays an aircraft by a day, that affects four flights and maybe 1,000 people and that is not a one dollar impact. That goes to the CEO," Sang said.

A good MRO provider, Sang said, is a partner that "rises to the occasion" when there is trouble.

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