AIR PARTNER COMMENTS ON THE RISE OF THE VIP AIRLINER

News / Business aviation

At the recent Latin American Business Aviation Conference and Exhibition (LABACE) in Sao Paulo, Boeing Business Jets was eager to promote its range of corporate and VIP aircraft in the very-large sector. The manufacturer offers a line of business, government and VVIP models based on the company's 737, 747, 777 and 787 airliners. To date, they have reportedly sold 250 aircraft to governments for head-of-state transport and to high-net-worth individuals.

However, it is not the global expansion of the UHNWI demographic fuelling these new VIP airliner sales that is driving a sharp spike in VIP airliner charter at Air Partner, at least not directly. It is instead demand from the corporate incentive, sports team and the VIP supporters that follow them.

Air Partner has seen a 38% increase in VIP airliner charters in the three years to 2017, vs the three years prior to that. Improving economic fortunes in Air Partner's key markets are certainly helping but there are other more powerful drivers in play.

The last three years have witnessed increasing numbers of retro-fitted airliners entering the market. These aircraft are often sourced from well-established scheduled airlines looking to reduce inventory and release cash in a difficult trading environment. As a result, they are available to the charter operator at a significant discount. In some cases, the original owner

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even provides the VIP refit as part of the deal!

Airliners are built to work hard for a living, they are cost-effective to operate and are relatively low maintenance, by design. If you can take a discounted Boeing 737 with 130 economy seats, refit that to business class standard throughout with 30 to 40 seats, you create a very attractive charter aircraft and simultaneously cut the BBJ delivery queue.

These aircraft can boast 'private jet' levels of comfort with a baggage capacity and a sense of space inside that even the largest private jets just can't match. And yet, due to the economies involved, this new breed of VIP airliner can reach the market at an hourly rate comparable to private jets with less than half the number of seats. It should come as no surprise then that the popularity of this genre has taken off and especially those travelling for medium to long haul routes.

At the same, the same trading pressures that have forced scheduled carriers to rationalise their fleets, has pressed them to consider new sources of revenue for the remaining aircraft. The familiar flag carriers have historically viewed charter as something of a distraction from their regular flying programmes. But more recently, they've welcomed the opportunity to monetise any otherwise redundant assets with bespoke charters.

The multi-class cabin configuration typical of many scheduled service providers is rare in the charter fleet. Greater access to these units has provided the charter broker greater scope to create the perfect solution for their clients. For instance, Air Partner recently chartered an A380, the world's largest airliner, for a corporate incentive group and the configuration of the cabin enabled them to place Directors in First Class accommodation, Senior Management in Business Class and the Premium Economy and Economy seats allocated according to individual performance, exactly as the client had set out in their brief.

The aviation industry is always changing and that dynamism creates opportunities for the well-informed buyer. Air Partner is working night and day to stay ahead of the market, winning access to the best aircraft at the best prices for their customers, and delivering charter solutions uniquely tailored to each mission.

Air Partner's clients are already benefitting from this broader pool of competitively priced commercial jets. This business looks set to grow much further as more and more potential customers and operators discover new possibilities with charter.

By Mark Briffa, Chief Executive Officer at Air Partner

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