

ACCOMMODATING EVOLVING DEMAND

INTERVIEW WITH **VICKY TSUI**,
VICE PRESIDENT, SALES & MARKETING/ CUSTOMER SERVICE

Interview by Litalia Yoakum



After plunging into the aviation industry for a little over a decade, Vicky Tsui, now the Vice President of Sales & Marketing Department at Amber Aviation, sheds light on the evolving demand and challenges faced within this industry. Kick starting what is now her groundbreaking career, Vicky started from scratch as an original member at Business Aviation Asia (BAA) in 2006 and is currently a key player at Amber Aviation – the newly established business aviation management company.

Can you describe the development of aircraft management in the early years of BAA?

We picked up the first Gulfstream 200 by November 2006 whilst preparing for an air operator's certificate (AOC) application in China. Up until 2008, the market was progressing slowly due to the global financial crisis. Fortunately, the China market started growing extensively in 2009, and over the next few years, we went from having two to having over 53 aircraft listed under our management. It's fair to say we were one of the fastest growing aircraft management companies at the time. I moved around to Beijing and then later on to Shanghai and by 2012, we were able to pick up 16 aircraft in that year alone, most of which were registered in China.

How challenging was the year 2012, considering the sudden surge in BAA's capacity?

It was quite a tough year. The China market was booming and because of the significant increase in the number of newly delivered aircraft registered in China, the process for importing aircraft became slower. Hence, there were a lot of unoccupied aircraft waiting for importation approval. We had to deal with complaints from clients, especially from first-time buyers, because they expected their aircraft to operate as soon as they settled the payment, but we had trouble getting immediate importation approval. We spent a lot of resources to coordinate with the government so they could help to promote the process. Given the lack of technical knowledge, there were often expectation gaps between us and the clients.

With talk of loosening of restrictions, have you seen leniency, say, for somebody to file a flight plan within a day or so before?

China is still currently lacking resources to grow this industry, especially in terms of business jets. It's difficult even just to apply for a slot in the ever-busy Beijing, Shanghai, or Hong Kong airports. Parking space is an issue, so aircraft often need to fly to another airport for parking after dropping off clients. Shenzhen airport or other smaller airports, however, are more lenient on this aspect.

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How is Amber Aviation currently doing?

The management left BAA at the end of last year to start our own company - Amber Aviation. Our headquarter is based in Shenzhen, our branch offices are based in Hong Kong, Macau, Shanghai, and we are setting up another one in Beijing. We have experienced people working with us, some I've had the pleasure to work with for 10 years. We understand the whole process inside out, we understand our clients, and we know how to design products to cater to their needs.

How many aircraft is Amber managing today?

We set up the company in April, and we submitted our China AOC application in May. We got the AOC by the end of June, so we picked up our first aircraft — in July, now we have three aircraft in our fleet. As a new company, we need to move slowly, because we want to make sure our services are topnotch, our brand recognized, and our products exemplary for our clients. For a rough estimate of maximum number, we may manage six aircraft this year.

How does the Amber product differ from the traditional management companies?

The competition is getting more and more intense these days. What we do to differentiate ourselves from other traditional, maybe even larger management companies is we operate Amber like a flexible, personalized platform. From the vast range of management models we offer, the clients get to choose their preferred products, their own crew, and, if they wish, their own flight department. We also assist them with AOC application procedures by giving them access to our resources. Without investing too much, clients can enjoy services like maintenance, having their own pilot and flight attendants, or having someone oversee the entire procedure. Another thing that Amber Aviation prides itself

with is transparency. Our daily operations and cost detailing are open for clients to monitor. All the extra costs will be revealed without any markup. Seeing that not many companies in China are as transparent, we may have an edge in the market. We are doing this because we want to build trust in our partnership with clients.

Why do you think some B-reg owners have been moving their aircraft offshore over the last few years?

There are a few reasons for this, one being the high tax in China, and second being the growing routes for international flights so it incentivizes them to register aircraft in N-reg (US) or VP-C (Cayman Islands).

Can you share your thoughts on how to alleviate overcapacity at the Hong Kong airport?

While some big names are working hard with the Hong Kong airport authorities to solve this situation, a lot of agencies like ourselves are offering alternatives to land in either Shenzhen, Macau, or Zhuhai airports. The Zhuhai government has actually shown interest in expanding the airport into a business aviation hub, which is great news.

Where do you see business aviation going in the next couple of years?

The market is recovering now. With China's OBOR strategy, China should be able to maintain the 6.5% economic growth annually. About 90% of the Global Fortune 500 foreign companies own private aircrafts whereas only 30% of this kind of Chinese companies own private aircrafts. That said, I think China still has a strong purchasing power and room for growth. I think this is certainly something that the entire industry is looking forward to. In the future, there also might be more openness from the CAAC, considering how they have started providing courses that educate new players in the industry on how management companies should be like.

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