



Middle East corporate travel: Business case & opportunities



Karim Hijazi
Managing Director
Piaggio Aero Middle East Sales Representative
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MIDDLE EAST CORPORATE TRAVEL MARKET

THE GCC COUNTRIES BUSINESS CAPITALS CONCENTRATES THE MAIN SHARE OF THE MIDDLE EAST AIRLINES AND BUSINESS AVIATION TRAFFIC



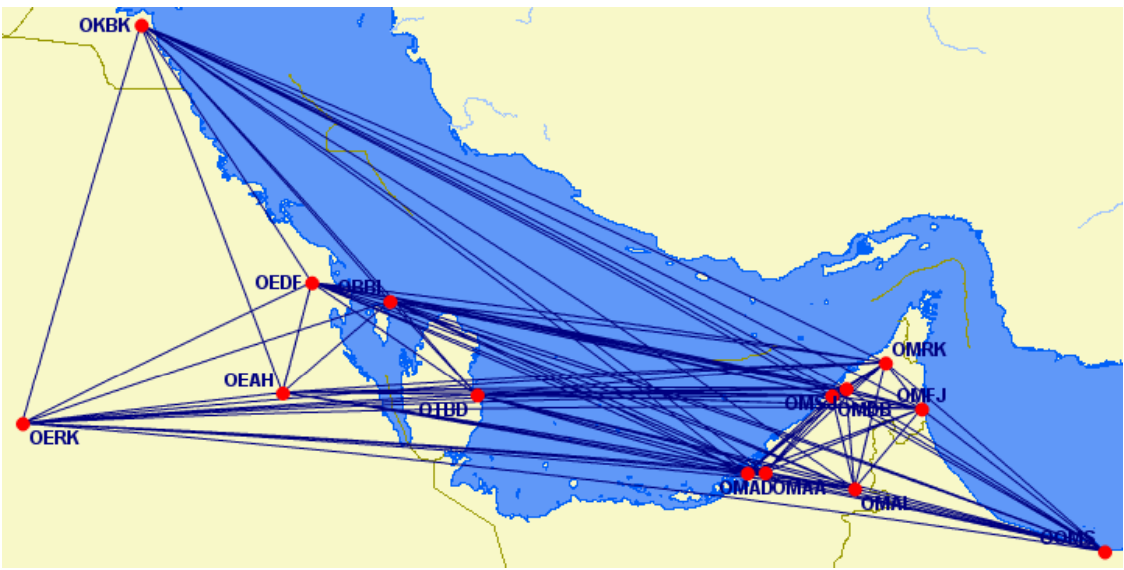
Middle East business aviation traffic split-up

Dubai	36.40%
Riyadh	12.30%
Beirut	8.70%
Jeddah	7.55%
Abu Dhabi	6.35%
Kuwait	5.20%
Amman	2.70%
Doha	2.10%
Bahrain	1.40%
others	17.30%

The GCC countries aviation traffic represents :

- 63.7% of the Middle East business aviation traffic
- 51% of the Middle East airline traffic (growing)

HIGH DENSITY NETWORK OF LEADING BUSINESS DESTINATIONS WITHIN A LIMITED RADIUS OF 450 NAUTICAL MILES



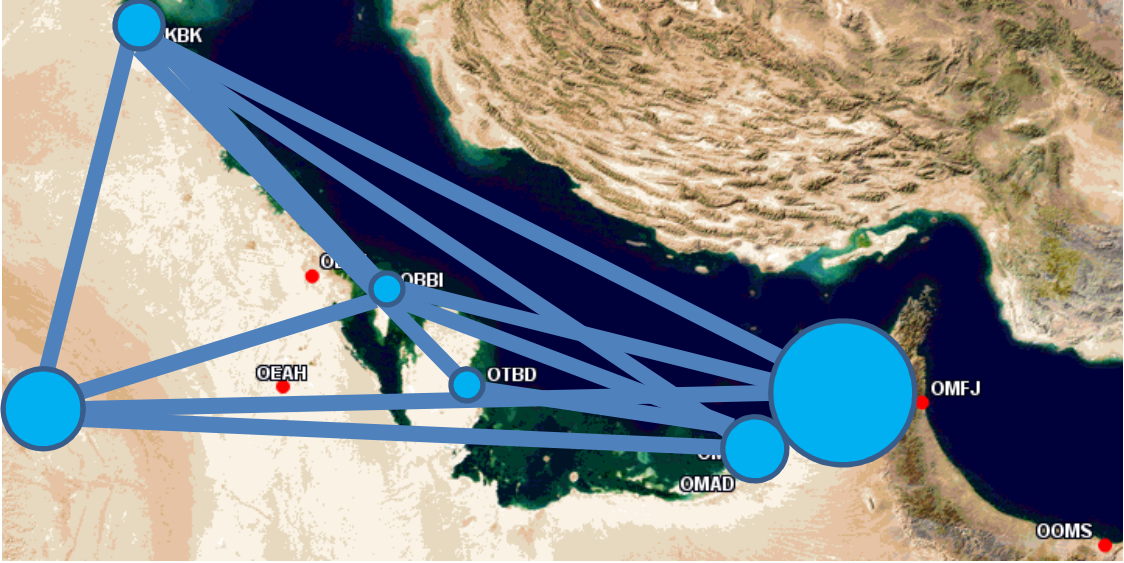
Flight distance from Abu Dhabi

Airport	Country	Dist. NM
Dubai	UAE	67
Al Ain	UAE	77
Fujairah	UAE	114
Ras Al Khaimah	UAE	117
Doha	Qatar	161
Manama	Bahrain	231
Muscat	Oman	238
Dammam	KSA	258
Riyadh	KSA	419
Kuwait City	Kuwait	450

13 international airports over 6 different countries within a 450 Nm radius (<2 flight hours)

78 possible combinations → 156 possible of one way flights

HIGH INTERACTION INDEXES SETS PRIMARY CONNECTIONS



 **Connectivity potential**

Connectivity potential:
Based on GDP, population, trade volume, airline & business aviation traffic

 **Interaction index**

Interaction index:
 $A \text{ Emission} \times B \text{ Attraction} / AB \text{ distance}$

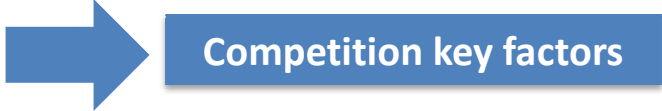
A consolidated and balanced network:

- The highest interaction indexes are distributed between 6 destinations
- Business aviation significantly increases interaction indexes by cutting airline travel time

COMMERCIAL & OPERATIONAL REQUIREMENTS

CORPORATE TRAVEL FUNDAMENTAL REQUIREMENTS

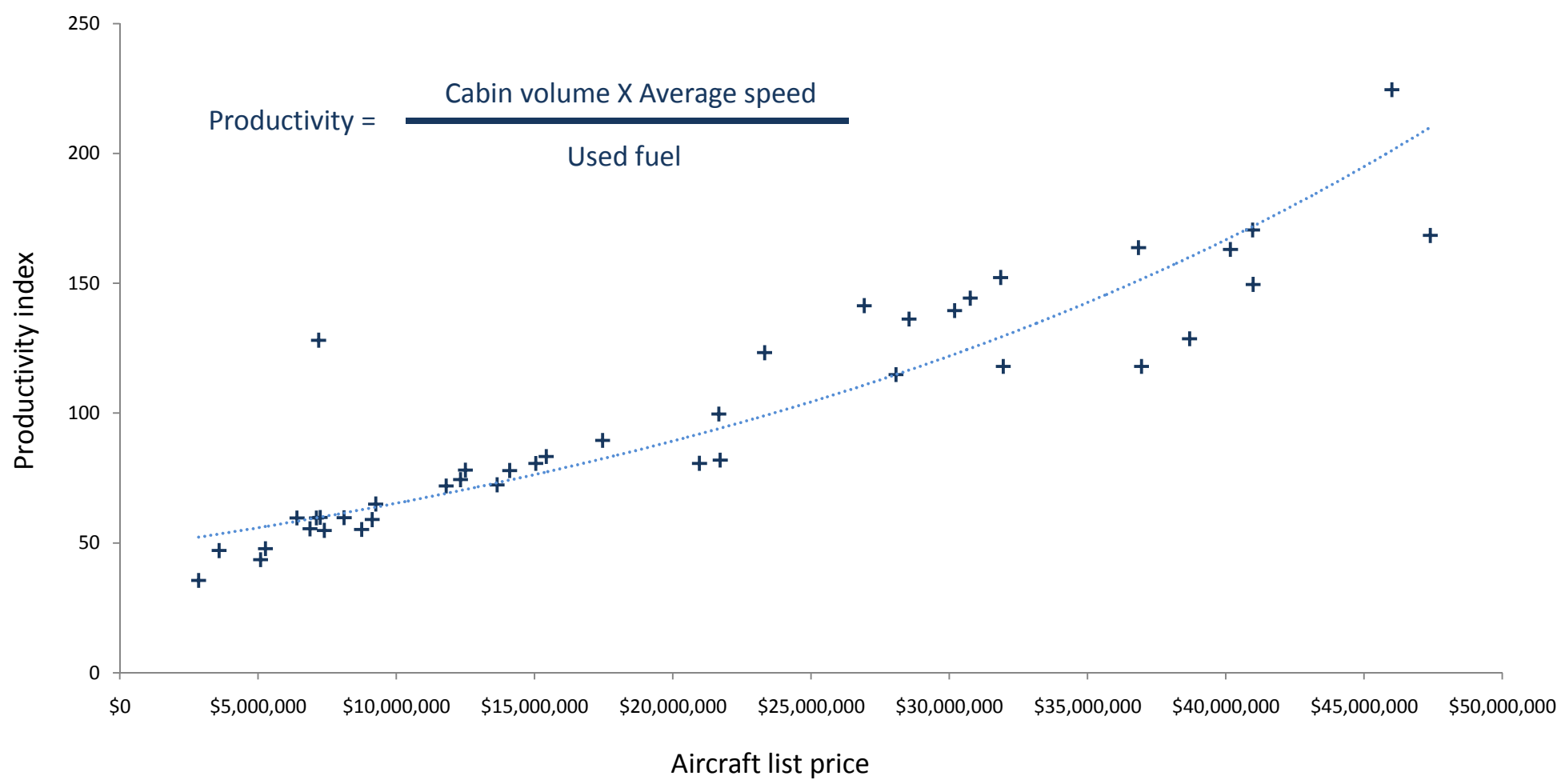
Requirements:	Airline	Business Aviation
Flexibility	No	Yes
Time saving	No	Yes
Cost efficiency/Productivity	Yes	?
Transparency	Yes	?
Accessibility	Yes	?



Successful corporate operations in the GCCs requires:

- Utilization of a high productivity aircraft
- Airline-like customer interactions (transparent pricing & booking, loyalty program)

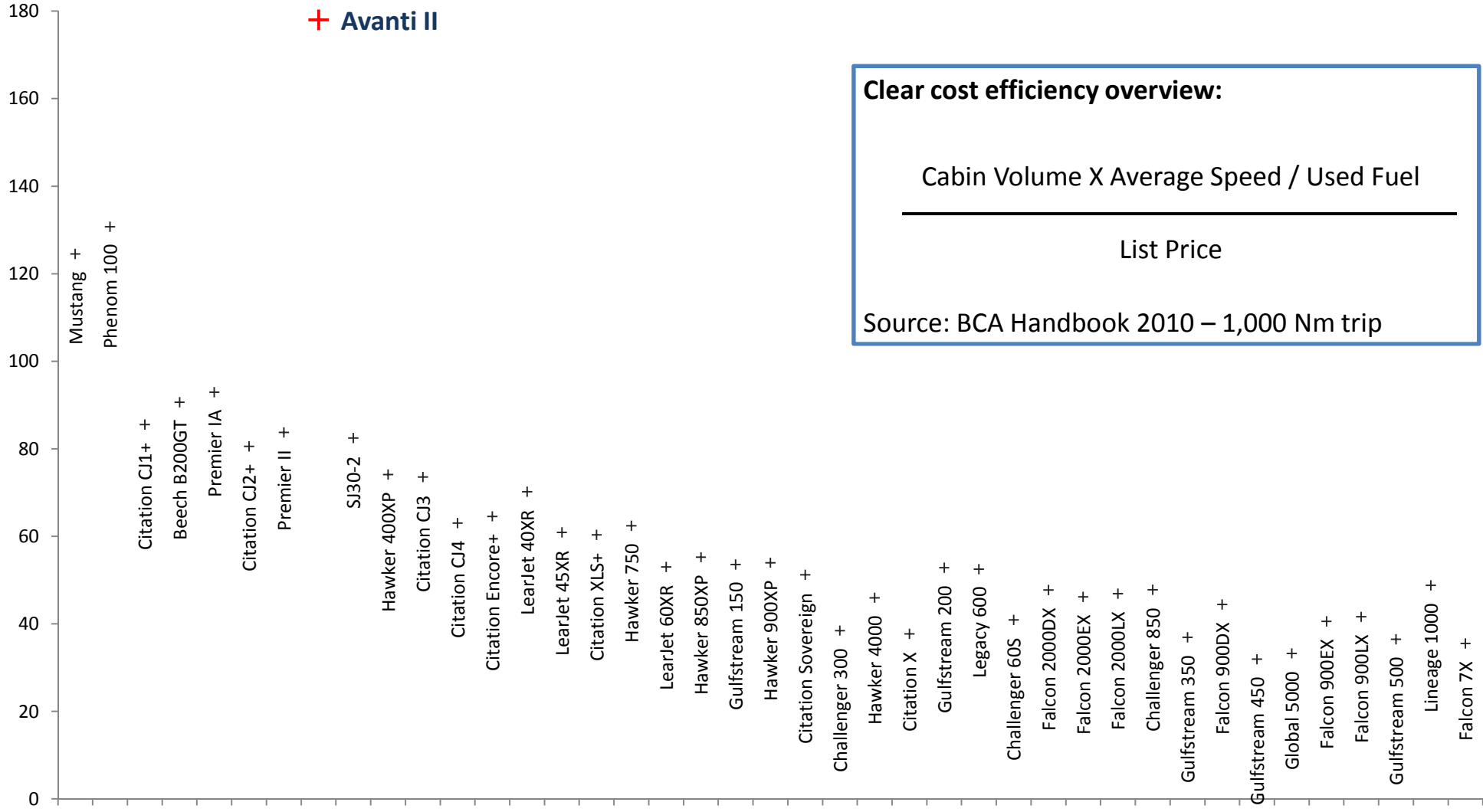
AIRCRAFT PRODUCTIVITY, A FUNDAMENTAL KEY TO COST EFFICIENCY



Aircraft productivity is strongly correlated to aircraft list prices

PRODUCTIVITY/PRICE RATIO: A STRAIGHTFORWARD COMPARISON TOOL

+ Avanti II



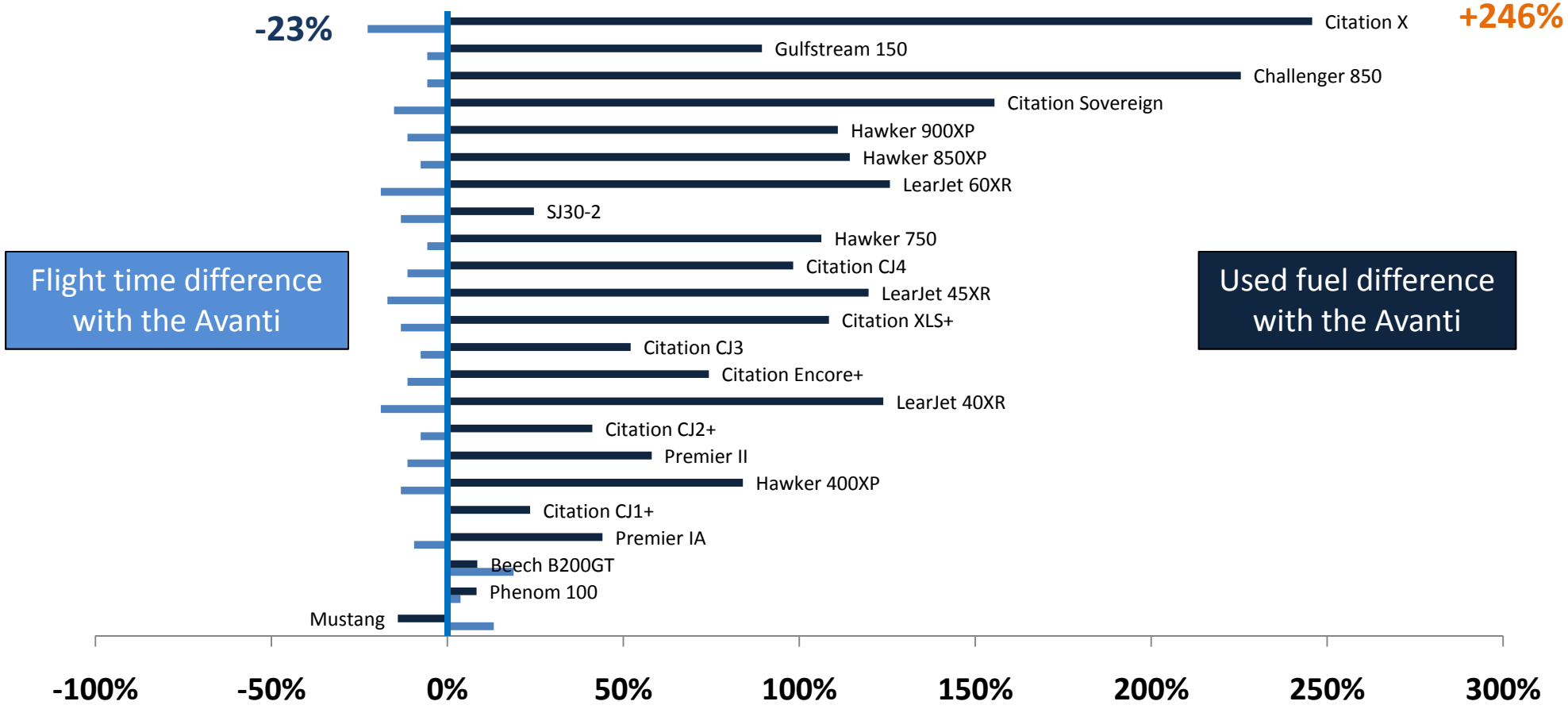
Clear cost efficiency overview:

$$\frac{\text{Cabin Volume X Average Speed / Used Fuel}}{\text{List Price}}$$

Source: BCA Handbook 2010 – 1,000 Nm trip

Considerations: actual cost (depreciation), high temperatures, cabin height

LIMITED TIME SAVING OPPORTUNITIES FOR JET AIRCRAFTS ASSOCIATED TO HIGHLY INCREASED DIRECT COSTS WITHIN THE 450 NM RADIUS



Marginal time saving opportunities highly increasing operating costs

AVANTI II CHARTER OPERATIONS COMPARISON WITH SCHEDULED AIRLINE



Assumptions:

5 executives departing from Dubai to attend:

- 1 meeting in Doha
- 1 meeting in Riyadh

AIRLINE - DAY 1: MEETING IN DOHA – DAY 2 MEETING IN RIYADH

Departure		Arrival	
Dubai	7/4/2010 8:25	Doha	7/4/2010 8:30
Doha	7/4/2010 15:40	Riyadh	7/4/2010 17:00
Riyadh	8/4/2010 20:45	Dubai	8/4/2010 23:25

5 Economy class return tickets: \$5,115

Airport time (2h per flight): 6h

Time value per passenger: \$150/h

Airport time value: \$4,500

Hotel in Riyadh: \$1,330

Airline total: \$10,945

Sources: Emirates Airline, Intercontinental Riyadh

AVANTI - DAY 1 ONLY: MEETING IN DOHA THEN IN RIYADH

Departure		Arrival	
Dubai	7/4/2010 9:00	Doha	7/4/2010 9:00
Doha	7/4/2010 13:30	Riyadh	7/4/2010 15:00
Riyadh	7/4/2010 18:00	Dubai	7/4/2010 20:00

Avanti total flight time: 4h30

Avanti charter rate: \$2,500/h

Chartered Avanti total: \$11,250

The charter flight gives convenient and flexible schedule enabling to save a full working day

CHARTER FLIGHTS SIGNIFICANTLY IMPROVES WORKING SCHEDULE

DAY1		DAY2	
6:00		6:00	
6:30		6:30	
7:00	Airport time	7:00	
7:30		7:30	
8:00		8:00	
8:30	Flight Dubai - Doha	8:30	
9:00		9:00	
9:30	Airport time	9:30	
10:00		10:00	
10:30	Meeting in Doha	10:30	Meeting in Riyadh
11:30		11:30	
12:00		12:00	
12:30		12:30	
13:00		13:00	
13:30		13:30	
14:00		14:00	
14:30		14:30	
15:00	Airport time	15:00	
15:30		15:30	
16:00		16:00	
16:30	Flight Doha - Riyadh	16:30	
17:00		17:00	
17:30		17:30	
18:00	Airport time	18:00	
18:30		18:30	
19:00		19:00	
19:30		19:30	
20:00		20:00	Airport time
20:30		20:30	
21:00		21:00	
21:30		21:30	Flight Riyadh - Dubai
22:00		22:00	
22:30		22:30	
23:00		23:00	
23:30		23:30	
0:00		0:00	Airport time

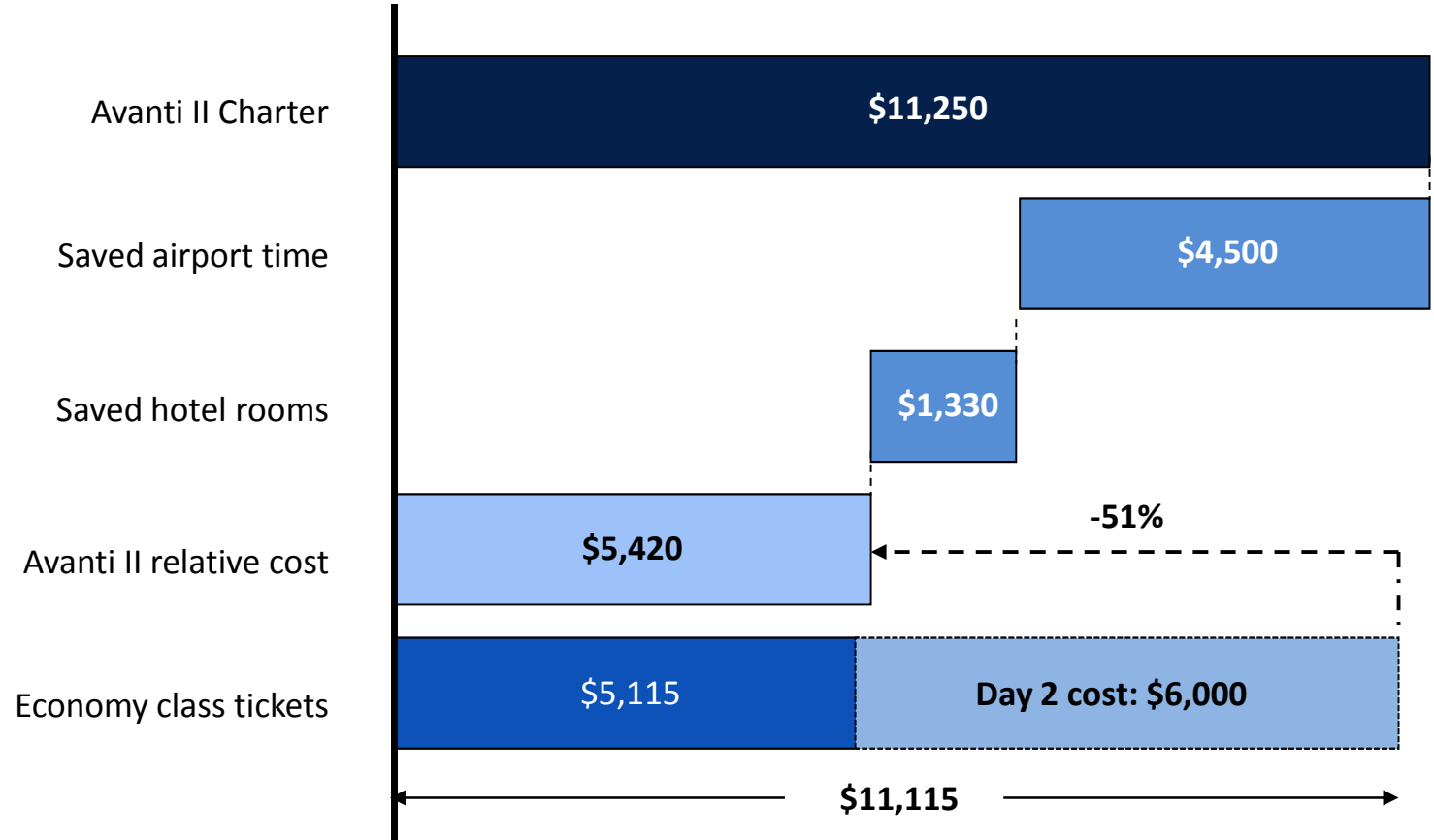
Airline

DAY1		DAY2	
6:00		6:00	
6:30		6:30	
7:00		7:00	
7:30		7:30	
8:00		8:00	
8:30		8:30	
9:00	Flight Dubai - Doha	9:00	
9:30		9:30	
10:00		10:00	
10:30	Meeting in Doha	10:30	
11:30		11:30	
12:00		12:00	
12:30		12:30	
13:00		13:00	
13:30		13:30	
14:00		14:00	
14:30	Flight Doha - Riyadh	14:30	
15:00		15:00	Full working day available
15:30		15:30	
16:00		16:00	
16:30	Meeting in Riyadh	16:30	
17:00		17:00	
17:30		17:30	
18:00		18:00	
18:30		18:30	
19:00	Flight Riyadh - Dubai	19:00	
19:30		19:30	
20:00		20:00	
20:30		20:30	
21:00		21:00	
21:30		21:30	
22:00		22:00	
22:30		22:30	
23:00		23:00	
23:30		23:30	
0:00		0:00	

Chartered Piaggio Avanti II



AVANTI II CHARTER OPERATIONS COMPARISON WITH SCHEDULED AIRLINE:



Avanti relative cost and economy class tickets are equivalent but...

... airline trip costs an extra full working day



PIAGGIO
AERO 

Thank you for your questions

Air Synapsis
Karim Hijazi
khijazi@airsynapsis.com
+971 50 940 2059

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