



**BizavRegion**

# *The Baltic States*

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*Dear readers!*

*We offer to your kind attention a joint project of the Russian United Business Aviation Association and the industry agency BizavNews – a regional report BizavRegion.*

*The first volume is issued in conjunction with the V Baltic Business Aviation Forum in Riga and is dedicated the Baltic States.*

*Though there is a whole number of informational resources telling about business aviation we bravely offer you a new one – BizavRegion. It is specific as it is created by the RUBAA and the leading business aviation information resource BizavNews. The main idea of the project is to highlight the industry in an exact region, which should on one hand help promoting companies, which work there, on other hand help the buyer to choose the proper supplier and service provider. Our aim is to provide information on how business aviation is developing, what are the tendencies, how the market is being formed.*

*Already at the stage of creation of the first issue we saw a huge interest for the project and we sincerely hope that BizavRegion will have its development. On our part we will do everything possible to make each issue comprehensive, interesting and objective.*

*We wish you a good reading and a successful business!*



## Baltic Fleet in Figures

Over the past two years, the business jet fleet in the Baltic states hardly experienced any changes and would never go above the summary limit of 30 aircraft. It should be noted that the matter concerns only the jets (excluding turbo-props), that is business jets entered to national registers of Estonia, Lithuania, and Latvia (prefixes ES, LY and YL). Some 40 aircraft units more affiliated with owners from the Baltic states remained registered with foreign registers, analysts said.

Our calculations show that as at July 2016 Estonia had 13 registered aircraft. Bombardier Learjet 60 is the most popular (7 units), followed by two Nextant 400 XTi planes, while Dassault Falcon 900LX and Cessna 750 Citation X are the largest business jets. Hawker 750 and Bombardier

Learjet 31A (one each) also operate in the country.

The situation is similar in Lithuania, where Hawker 800XP/Hawker800XPi/Hawker850XP/Hawker900XP remain the most popular planes. Dassault Falcon 2000S was the largest business jet registered in Lithuania. Bombardier Challenger 850 aircraft is also operated in the country. All in all, the national register (LY) contains 9 aircraft.

And in Latvia we only managed to find 3 aircraft: Beech 390 Premier I, Bombardier Challenger 604, and Hawker 850XP.

For obvious reasons we would not disclose the owners and operators of the aircraft.





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ОРГАНИЗАЦИОННОЕ  
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ПОДДЕРЖАНИЕ  
ЛЕТНОЙ ГОДНОСТИ  
ВОЗДУШНЫХ СУДОВ

**BUSINESS JET  
OPERATOR  
WINNER 2015**

FOR

**MERIDIAN AIR COMPANY**



## One of the Oldest in the World

Vilnius Airport belongs to the network of Lithuanian airports, which joins three air gateways in Vilnius, Kaunas and Palanga. During 2015 it handled 3.3 million passengers and 39,000 flights.

Vilnius Airport, the true origin of which dates back one hundred years, is one of the oldest airports of uninterrupted operation in the world. Nevertheless, it is most significant for Lithuanian civil aviation. After being considered the heart of Lithuanian civil aviation for decades, the airport is currently operating under the joint strategy of Lithuanian airports.

The merger of Lithuanian airports into a single enterprise does not only enable a more effective manage-

ment of the airport business but also contributes to the implementation of Lithuanian civil aviation priorities, which include better connections by air and more flights to the most important cities in the world for Lithuanian residents.

Currently Lithuanian airports are in a very important and promising period of their existence: they are about to put into practice the already approved concession project, whereas 2017 will witness the reconstruction of the runway of Vilnius Airport.

During the summer of 2017 from July 14 to August 18 Vilnius Airport will be carrying out reconstruction of the runway. Aircrafts will not be landing in Vilnius during

the specified period, and communication with Lithuania will be ensured through other air gateways. The runway at Vilnius Airport will be reconstructed from the ground - works are planned in both outside and ground part of it. The last reconstruction of the runway which was built back in 1958 took place over 20 years ago. The specifics of works does not allow them to be carried out at night and without stopping flights - high-quality works will require a little more than a month's time.

The next big project at Vilnius airport is now called VNO Industrial Area – it is an investment project launched at Vilnius Airport. An 8 ha territory located in the area of Vilnius Airport is designated for specific companies providing small aircraft maintenance, repair and opera-



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tions (MRO), air freight transport, business and general aviation services.

Situated in the southwestern part of the airport next to the fire rescue station opened several years ago, VNO Industrial Area will offer six land plots prepared for construction to investors. The project area will be furnished with new infrastructure - engineering and telecommunications networks, places for aircraft parking, aviation security checkpoint, access roads and car parking lots for employees. Investors will have a chance to construct the buildings meeting their needs and to set up other infra-

structure required for aviation activities.

In addition to the new infrastructure designed to meet specific needs, the aviation business operators based at Vilnius Airport will also have unrivalled transport connections with the major European cities both by air and by road. Investors will also have broad opportunities to enter into partnerships with the companies already operating at Lithuanian airports.

The work of installation of engineering and telecommunications networks, aircraft parking lots, security

checkpoint, access road to the area and other infrastructure will start at the end of 2017. It is expected to end by the middle of 2018.

Currently, aircraft MRO services at Lithuanian airports are provided by FL Technics, Charter Jets and Jet MS; freight transport services are rendered by DHL, TNT, UPS, Lietuvos paštas, Litcargus, Baltcargo, APCargo, while the needs of business aviation are met by Charter Jets, Classic Jet, Klas Jet, DOT LT, Small planet airlines, etc.



## Meridian Opens a New Window to Europe

Meridian Air Company, a leading Russian business jet operator, for the first time this year has ventured into Geneva EBACE exhibition that is informally considered “the main event of the European market”. The company is coming to Europe with a solid wealth of competence, expertise and skills. As CEO of Meridian Air Company Mr. Vladimir Lapinsky views it, the time has come for the operator to join the international market with a most respectable offer of high-quality service. Indeed, for the past few years Meridian has become the main newsmaker in the Russian business aviation market, often astonishing the public with extent of the job done.

In the beginning of the year the operator received EASA



authorization upon early completion of a long-term procedure proving the airline’s compliance with PART-TCO (Third Country Operators) requirements. Then, four month ago the first international ceremony “Sapphire Pegasus. Business Aviation Award” took place in Czech Republic where the companies of Europe, Middle East, North Africa and Russia won awards for excellence in business aviation. Meridian, the first one in the history of the event, became the prizewinner in the nomination “Business Jet Operator – 2015”. However, that’s just the tip of the iceberg where the main achievements of the company are hidden, i.e. experience and people.

«Many of our colleagues find Meridian’s efforts annoying. Why do you need so many auditors, we would hear day after day? There is quite a simple explanation to that. Our company has focused on quality, so there is no room for compromise. For this very reason, we are constantly developing in the sense of compliance with the highest requirements of the market. After receiving both Air Operator Certificate (AOC) and Private Operator Certificate, we gained authorization of the International Standard for Business Aircraft Operations (IS-BAO), then, in three years we advanced from Stage 1 to Stage 2. Our specialists faced a challenge of high international standards, and certain requirements being even higher than those ones the Russian commercial operators should obey. We made up our minds to advance progressively rather than rush violently into it. We underwent a preliminary audit half a year prior to authorization that revealed gaps in our work. We had sufficient time to eliminate them; rest assured we never considered them in a formal way. Tried and tested procedures work most efficiently, our auditors acclaim. The very moment we achieved IS-BAO Stage 2, a most sensible decision followed up – such quality level should become the norm. Therefore, we are proud of our accredited achievements. Sure, this requires power and

assets; nevertheless, it is worth it. I would like to emphasize that we appreciate sound support of our shareholders in this matter. Through the highest quality policy, Meridian appears attractive and competitive on the market», Vladimir Lapinsky says.

Indeed, the company’s attitude towards service providers who must comply with Meridian’s quality standards stands out quite exceptional. On the other hand, providing the maximum possible level of flight safety is the key priority of all aviation market players. Thus, perhaps for the first time we are facing the fact that both catering and leading aviation training centers, maintenance and aircraft repair organizations undergo such audit procedure. The company does that with one and only intention – each provider shall comply with its requirements. Without that, it would be quite impossible for the airline itself to provide the required level of service quality. BizavNews interviewed an insider of a large aviation training center with FAA quality management approval (however, he wished to remain incognito), who advised that Meridian revealed two significant findings during such an audit; afterwards, when the training center failed to eliminate them for whatever reason, further cooperation was suspended. Guess what, the training center managed to eliminate the findings after a while and applied to the Russian operator offering to resume cooperation. Isn’t that worthy of respect? A Russian airline nurtures ambition to be equal and respectful partner.

What was discussed with partners at EBACE? These days Meridian offers quite a significant service portfolio. It is an exclusive operator in Russia in possession of both AOC, Private Operator Certificate and IS-BAO Certificate. The company offers to a potential client a wide choice of aircraft registration and operational management: Russian and Swiss, Irish and Bermuda and other

aircraft registers, Continuing Airworthiness Management Organization (CAMO), its own OPS and naturally, full service of aircraft management.

CAMO is worth a separate discussion. In July 2013, Meridian became the first and only operator at the territory of the Commonwealth of Independent States (and the fourth outside the European Union) authorized for Irish registered aircraft airworthiness management. To accomplish this, the airline acquired Certificate of Compliance Part M Subpart G, so its CAMO complied with EASA regulations. This allowed the airline to continue airworthiness for the aircraft of such registers as Bermuda and Cayman Islands, Isle of Man and Aruba. Meridian's experience is very important, because nowadays, when Russian commercial operators should provide aircraft continued airworthiness in accordance with the Russian law, mandatory CAMO certification has been introduced into force not only by European, but also other aviation authorities, Bermuda in particular (OTAR Part 39 requirements). Two years later, 'this attitude' has already turned into business. The company used to invest, now it profits from continuing airworthiness management of foreign registered aircraft.

«We build our relationship with aircraft owners in such a way that the client is convinced: flight safety is sacred. Why do we demand so much from our partners? Because we demand the same from ourselves. Statistics of foreign aircraft safety inspections (SAFA) in Europe serves as a clear illustration of the company's achievements. Meridian is one of the few Russian air operators that celebrate zero findings rate. Besides, these records are a publicly available source. We believe that the scope of high-quality service, which we can offer even to foreign clients, complies with requirements of the European market indeed. Above all, we account for possible cooperation with clients affiliated with aircraft operated in

Russia. No secret there, the first goal of the company now is to do no harm, to advance while preserving the existing accomplishments by way of enlarging the aircraft fleet as well. I would like to point out that introducing a new aircraft type into the fleet is no problem. We will introduce a new aircraft type into operation at a brisk pace because our experience is solid. Thanks to CAMO, we also believe that the client who applied to us for the first time will remain loyal to us. Meridian has another ace up its sleeve that others prefer not to notice. The company can arrange flight operation of, let's say, Aruba

registered aircraft, and the required quality level will comply with EASA requirements. That's the edge the company reaches up to in its performance. So then, why are so many aircraft left behind our business? Quality is money. Alas, it is a pity that so few aircraft owners share our approach; we did not succeed in cooperation agreement with certain partners. Everyone's free to make his own choice here. We are firm that our offer will gain popularity on the market, and we will be glad to develop successful and mutually beneficial cooperation with new clients and partners», Vladimir Lapinsky resumes.



## Commintment to Excellence

On August, 5 this year in Latvia the 5th Baltic Business Aviation Forum will take place. At the forum industry experts from Russia and the European Union will get knowledge about current developments in business aviation. The forum will be held in the VIP conference hall at Riga International Airport.

**Ilona Līce**, the Board Chairwoman says: *«Riga Airport constantly strives for excellence in servicing customers. The results of our work are confirmed by continuously growing number of passengers who choose Riga for travels. In 2015, Riga airport serviced 5.16 million passengers, which is 45% of the total passenger turnover in the Baltic States. In turn, freight transportation accounted for 39% of the total air freight turnover in the Baltic States. Also, we can be proud of the fact that AirBaltic Latvian national air company is recognized as the most punctual one in the world.»*

*The development of entrepreneurship in Latvia connects with several significant advantages that are valued by private investors started their business at Riga Airport. The airport is only 20 minute drive from Riga center,*

*which is the second largest metropolis in Northern Europe after Stockholm. Advantages of the airport as a business center are supported by ensuring high regularity of flights in 79 destinations in Europe, America and CIS countries in summer. This geography of flights is possible due to transit traffic, which accounts for about 25% of total passenger handling. For example, 8 Moscow – Riga flights are provided daily. On this route 3 actively competing airlines conduct flights. Owing to this passengers benefit from offered best prices and docking for transit flights to Frankfurt, London, Paris and other regional centers of Europe.*

*The exclusivity of business aviation services at the airport is ensured by 3 independent business aviation terminals and modern infrastructure of aircraft servicing. It should be added that at the beginning of the year Airline Support Baltics, a new repair center, started its work at Riga Airport. Competitive prices and high quality services of this company are an essential precondition for attracting new business aviation customers to Riga.*

*The quality of our work is appreciated not only by airlines, but our passengers as well. For example, in 2015, when European Union Presidency measures were taken in Latvia an extended and well-maintained VIP-center at Riga Airport received a lot of thanks from its customers for its outstanding service and responsiveness.*

*Continuous development of infrastructure increases the competitiveness of our services. For example, Riga Airport is the first airport in the European Union, which has Follow the Green ground control system for aircrafts. This system is designed for comfortable and safe aircraft maneuvering on the apron in heavy traffic and poor visibility conditions. This project was implemented as a pilot project for further integration of European Union airports into the infrastructure. Also, Riga Airport is the only airport in the Baltic States, which has a centralized system for aircraft refueling, which enables fast and efficient refueling of large long-haul aircrafts.*

*No doubt, the developed infrastructure will make passengers feel more comfortable at the airport. In the near future, significant improvements are planned in quality servicing of passengers. A new business lounge, spa complex will be built this summer, and new North Terminal will be made available for passengers this autumn. After the implementation of such projects passengers will receive access to new commercial facilities, including larger and diverse dining facilities and spacious comfortable lounges in the transit area. All these will increase the airport capacity. In turn, in the next years it is planned to connect the airport with RailBaltica. Moreover, the passenger terminal is expected to be expanded.*

*We are open for new investment projects, which aim to improve the network of services provided by the airport. Especially we are interested in attracting partners in the development of air cargo logistics and necessary infrastructure».*



## FBO RIGA: the First Results and the New Perspectives

On September the 8th 2015 at RIGA International Airport, an official opening of FBO RIGA took place.

One can be sure that launch of this object highlighted a new stage in the development of Riga Airport as a business aviation hub and of business aviation the Baltic States and Scandinavia and in the European region in general.

Construction of a new business aviation center FBO RIGA was announced in spring 2013. Total volume of investments reached 12,5 million Euro. Center FBO RIGA includes a modern business aviation terminal of 1200 sq. m, a 8400 sq. m hangar, an apron with parking lots for aircraft and a helicopter pad. The building complex (hangar and terminal) occupies a territory of 12000 sq. m to which apron and parking lots are adjusted.

Before the opening of the center, Flight Consulting Group Holding which comprises the center, shared its plans on operation and development perspectives. In their interviews FBO RIGA co-owners Roman Starkov and Leonid Gorodnitsky noticed that due to its geographical location Latvia has a huge potential for development of business aviation. Indeed, to the moment of business aviation center opening there existed already a pool of potential clients. So it was more than important to realize all the plans on top level.

Where the planned indicators achieved? Where the expectations related to the center opening satisfied? To answer these questions, it is necessary to evaluate what was achieved during the first 8 month of operation.

### Numbers and Facts

Not evaluation criteria, but first of all numbers and facts can give and objective sight. As an airport infrastructure object, FBO RIGA has its main designation – to serve passengers and handle aircraft for business aviation. During the first 8 months, FBO RIGA managed to handle over 1000 flights and 2000 passengers.

Among the aircraft received by FBO RIGA there is a wide range of aircraft type – from ultralight ones, such as Premier 1, to heavy jets: here have been both Boeing Business Jet and Airbus Corporate Jet.

There is statistics on destinations: mainly they are cities of Europe and Russia: Moscow, London, St. Petersburg, Prague, Tallinn, Kiev, Nice, Geneva, Vienna, Berlin, Zurich...

FBO RIGA has data also on purpose of flights: 85% of them were with business purposes.





Relying on these numbers, we can confirm that the company is exceeding the planned for the first 12-month traffic. Its increase at FBO RIGA reached 35% in comparison with the same period of the last year. It is evident that the project is developing faster than it was expected at its launch.

Setting the quality of service as a priority and maintain and even decreasing prices for several positions, offering new products and individual solutions for B2B clients made realization of plans possible.

It is important to notice, that quantity is confirmed by

quality: special attention is paid by the management and employees to the level of satisfaction of passengers and crews. Feedback is received and levels of reports on the service provided are analyzed.

Exactly this information is the main reason to expect new requests from the customers and to make further plans.

**Way to Success**

Every successful project arises the question – how? How was it possible to achieve the results? How was it possible to maintain service on the given level? How not to lose the opportunities and develop the project?

First of all, basis of any success is formed by a proper calculation, focus on result, understanding of ways how this result can be achieved. Before opening of FBO RIGA business aviation center the company’s existing clients based their aircraft in another airport of Europe. With the center opening, which includes a hangar facility there was a possibility to organize basing of aircraft in walls of an own center.

And again about the important: attention to the clients and their demands. The management realizes an active communication strategy with current and potential clients. It is important not only to provide information about the center, but also to receive, and most important, to hear the answer, and then – make the customers’ requests come true. To increase the service quality there was implemented a Key Account Manager institution, which allows providing an entire handling of a project and providing each customer with a tailored approach.

An important distinguishable element of FBO RIGA per-



formance is a lack of an aircraft operator in the holding. Holding and FBO RIGA represent a center for providing services to operators.

**Recognition: both Beautiful and Professional**

Despite its young age, FBO RIGA has already received attention and recognition, in two areas at one time.

In March 2016, FBO RIGA became a prize holder of a yearly competition Latvian Construction, winners of which were specified by results of a national contest. The competition jury marked FBO RIGA in two nominations – New Construction or Modernization – Logistics and Production Centre and – hangar FBO RIGA (the first prize), and New Construction – Public Facilities –boutique terminal of FBO RIGA (the third prize). The contest winning became possible due to combination of the newest construction technologies, unique art design of the boutique terminal, as well as importance of the object value for regional economy development.

Moreover, in April 2016 FBO RIGA was honored in Prague with Sapphire Pegasus Business Aviation Awards, becoming an absolute winner in Handler / Service Provider / FBO nomination and was recognized as the best FBO in Europe. Over 2000 professionals voted for the most prominent online. The jury deserves special attention: in included leaders of Association, which supported the Award – Dagmar Grossman, the founder of CEPA, Anna Serezhkina, the Executive Director of RUBAA, Fabio Gamba, the Director of EBAA, as well as know journalists who write about the industry.

Receipt of such awards gave its result – FBO RIGA business aviation center receives additional recommendations on the market.

**FBO RIGA Today: the Newest Technologies for Business Aviation**

FBO RIGA Center includes a hangar with an area of 8,400 square meters, which is designed for storage of aircraft and their maintenance, as well as a modern business aviation boutique terminal with an area of 1,200 square meters created both for passenger service and for holding premium class international meetings, presentations, and events. The total area of the complex makes 12,000 square meters.

FBO RIGA is a unique project, both in terms of its design and construction. As the center was designed with future needs in mind, it had to meet not only the current needs of the market, but also had to take into account something that customers might want tomorrow. Therefore, when designing and constructing the infrastructure facilities, advanced technologies and best global practices were used. For example, the hangar is unique due to its support-free arched structure with a span of 98 meters carried by reinforced concrete columns. The roof was covered using ultralight and durable Protan coating. The key equipment is mounted on top of the arches: automatic foam fire-extinguishing system, LED lighting, and heating system consisting of instant infrared panels. Other features worth mentioning include Butzbach sliding hangar doors equipped with electronic control and automatic locking systems in case of smoke spread, etc. All this enables the hangar, first, to easily hold up to 5 Boeing Business Jets, or 9 Gulfstream 550 business jets, or 20 Learjet-60 aircraft as its inner area for aircraft accommodation reaches 6,700 square meters; second, to reduce the time needed for each operation and, third, to ensure significant energy saving, and, finally, which is the most important, to ensure compliance of the hangar with the most stringent safety requirements.

**Haute Couture for Business Aviation**

FBO RIGA passenger boutique terminal features a unique architectural solution. Due to the irregular shape of the building, the terminal harmonizes with the massive hangar in a way that creates a single architectural motif.

When developing the project, a modern concept of the boutique terminal was chosen, which implies exclusive services, unique interior design, and exceptional functionality.

Particular attention must be paid to the interior design in the style of modern classics upon the project by Zane Tetere, one of the most successful designers of Latvia. A perfectly clever geometry of public facilities and sitting areas, natural soft lighting, exclusive finishing with rare woods and stones, premium class furniture made by well-known Italian furniture manufacturers, paintings of famous artists on the walls – all this creates an elegant and at the same time relaxed atmosphere for the passengers waiting for the flight. The ground floor of the building comprises six comfortable sitting areas, a VIP Lounge and a VIP meeting room, a bar, and an art gallery. The first floor of the terminal houses a conference room and offices. A separate space is occupied by FCG OPS, a certified 24/7 flight operations control center, supporting more than 90 business aviation aircraft flying daily around the world.

**Special Features: What do Customers Like Most**

Every working day is full of surprises and new tasks, which in many cases were not faced before. FBO RIGA's strong site is attention to details and ability to convert impossible to possible.

For example, it was necessary to provide aircraft ground handling, which requires 1 hour, during 40 minutes. The task was completed in 30 minutes! Due to this experience, FBO RIGA now offers its clients who fly from Asia to Europe or America, to make a fueling stop for business aircraft of any type, with ground handling surely provided during less than one hour of an aircraft being landed. This is possible only in smaller airports without slotting and with a perfect service.

Both passengers and crews due to this care feel themselves sure and convenient and personally thank the FBO RIGA personnel. What can be a better reward?

At FBO RIGA all the details are thought about. Crews

enjoy a lot a self-moving apron which allows to taxi to the parking in front of the terminal and from it. It allows saving financial resources and avoiding additional contacts of ground personnel with the aircraft.

A cozy boutique terminal representing a new branch in the design of business aviation terminals is appreciated by clients and crews. There are special areas for everyone, which are convenient and provide all the necessary features. Crews highly evaluate a convenient room for briefings in the sterile area. Clients gladly spend time in the terminal and even use it as a point of negotiations: there are special rooms properly equipped. The service corresponds to a 5 star hotel.

### What Comes Next?

New development of the whole complex and services. FBO RIGA is planning enhancement of maintenance, creating of its own cleaning team, development of crew service range. New rooms for briefings in the sterile zone will be launched; comfort of working and recreational areas will be increased.

In general, FBO RIGA business aviation center represents a unique project, comprehensive and multifunctional. It quickly proved its effectiveness and demand. It will be more than interesting to evaluate its work one more year later: which new offer will Riga make to business aviation?



## KlasJet Grow Despite Trends

KlasJet entered the European business aviation market in 2014. Today, the company operates two medium business jets – Bombardier CRJ200 and Challenger 850. The aircraft have unique interior and exterior designs which differs them from standard white business jets. Another aircraft – light Hawker 800XP – has been recently added

to KlasJet's fleet and is already flying between various European cities.

«Despite certain market volatility which, amongst other, is triggered by a decreased demand for business aviation in the CIS, we keep successfully expanding our cus-

tomers list. Over the first two years of our operations we conducted approx. 400 flights per year. But this year we anticipate to increase the number of flights to 700», comments Vitalij Kapitonov, the CEO of KlasJet.

The company plans to not only increase its flight program, but also further develop its fleet. According to Vitalij Kapitonov, in the nearest future, the company is to add Challenger 604/605 to its AOC. Furthermore, KlasJet plans to welcome two extra business jets – one heavy and one mid-size airplanes – to its fleet by the end of the year.

«We offer our guests VIP flights to almost any world location. Though being based in Vilnius and Moscow, our unique jets have already flown to Iceland, Indonesia, Nigeria and even Arctic Norway», shares the CEO of KlasJet.

In addition to VIP charter flights, KlasJet also provides business jet management services. With KlasJet's support, owners of business jets can significantly decrease their aircraft maintenance costs.

«We conduct full operational and technical management of business jets, hire the crew, sell the hours, conduct the flights, etc. All of this allows the aircraft to generate profit for its owner. In addition, we provide continuous airworthiness management for aircraft that are under our management and those jets that are owned or operated by a third party», shares Vitalij Kapitonov, the CEO of KlasJet.

KlasJet holds an Air Operator Certificate (AOC) as well as EASA Part M (Subpart G) certificate. KlasJet is an active member of the Russian United Business Aviation Association (RUBAA) and European Business Aviation Association (EBAA).



## ES-REG - a Decent Response to Offshore Registers

In 2016, FortAero (FortAero Baltic Business Aviation Alliance), Estonia's top business operator, launched its new ES-REG product on the market. Prefix ES helps to register and operate the aircraft much the same as the offshore registers, whereby the client avoids so-called «offshorisation» and saves serious money on maintenance costs (at least 10-15%) via using company's internal maintenance cost accounting and analysis system. This is a modern and, essentially, efficient aircraft operation system developed by FortAero professionals for the business aviation market of Russia and CIS, the company said. «Our know-how enables considerable savings on the aircraft ownership costs. FortAero will disclose the details only to an interested client. The only thing I would like to announce now is that FortAero wants aircraft owners to be confident that the aircraft is operated

for the client and in the client's interests», stated FortAero CEO Vadim Opryshko.

What is it in ES prefix? Aircraft registration in Estonia is an optimal solution for potential and experienced aircraft owners, since the Estonian register offers a number of advantages:

- low taxation and government charges
- zero VAT tax
- no extra wealth taxes, high-level regulatory standards
- ability to be granted a valid residence permit
- setting up a company in Estonia, including an air entity
- exchange of documents with digital signatures

- opening an account in an Estonia bank and effect safe bank transfers
- submitting tax declarations

Most importantly, all of this could be rapidly implemented online!

FortAero was established in 1997 and can boast of huge professional experience. Nowadays, FortAero is focused on the sales and management of private jets, charter services in Europe, Russia, CIS and Asia. FortAero's range of clients embraces businessmen and members of governmental institutions from around the world; the company has its representative offices in Tallinn, Kiev, Hong Kong, and Moscow. In July 2013, Nextant Aerospace announced that FortAero was appointed its exclusive sales agent in Russia, CIS, and Europe.

Last year FortAero (FortAero Baltic Business Aviation Alliance) business operator largely preserved the 2014 traffic figures. The average monthly traffic included 30-35 flights, with a slight rise in the high season, which helped preserve the flight hours on a scale comparable to 2014. Nextant 400XTi spent 60-80 hours in the air, and even reached 90 hours in summer. As of now, the company's fleet is comprised by two Nextant 400XTi aircraft, plus a Citation Sovereign, and a Dassault Falcon 900 LX. Gulfstream G450 and G550 are offered for corporate management. The range of flight destinations from Europe, Asia and along domestic routes in Russia rose over the past 12 months. Saint Petersburg Sochi gained the lead, with a drastic increase in flight to the North Caucasus, Rostov, some regions of the Urals and Siberia. The share of vacation flights fell substantially, whereas the share of business voyages rose thanks to top managers of companies who tend to select affordable solutions more often, the company's representatives said.



## Global Business Jet Breakout

The Canadian manufacturer Bombardier put the lid on the matter and cooled the army of sceptics with regards to its new Global 7000 business jet when it opened its doors to media and showcased the first two Global 7000 flight test vehicles (FTVs) at the Company's state-of-the-art assembly line in Toronto. Bombardier is employing the highest calibration technology throughout the entire manufacturing process for the Global 7000 and Global

8000 aircraft program. An automated positioning system moves the wing structure into place for joining with the fuselage. This system uses laser-guided measuring to ensure components of the aircraft are joined consistently and precisely.

Another key feature of Bombardier's assembly line in Toronto is the use of articulated robots for accurate and

fast riveting in automatic mode of the main sections of the fuselage. The robots are designed to ensure consistent quality, predictability and repeatability of the drilling process. Three more flight test vehicles are also at various stages of development.

In Toronto, the first Global 7000 flight test vehicle has now moved from the production to its dedicated the pre-flight bay. It is being prepared for its first flight expected to occur in 2016. GE's Passport engine for business jet applications was awarded type certification by the U.S. Federal Aviation Administration (FAA) in April 2016. This represents another important milestone of the program development.

Bombardier Business aircraft launched its Global 7000 and Global 8000 extra long range jet in October 2010. Both Global 7000 and 8000 jets are equipped with the same GE Passport with take-off thrust 16 500 lb engine. The Global 7000 business aircraft is larger than its co-brother and has an estimated range of 7 400 nm or 13 705 km when flying 8 passengers and 4 crew members at a speed of Mach 0,85. The Global 7000 can fly non-stop from London to Singapore or from New York to Dubai. The Global 8000 has a slightly shorter cabin and will have 7 900 nm range at same flying conditions, also with 8 passengers. That is why Bombardier created such names for new jets of Global family as each of them is indicative of the range in nautical miles.

Inside the cockpit, Bombardier chose to install the Rockwell Pro Line Fusion Avionics Suite which has 4 LCD screens each 15,1 inches in diagonal, (the largest in business aviation), and an open architecture concept that allows to enhance capacity of situational awareness and integration with systems of aircraft including weather radars. Furthermore avionics includes flight planning



and potential change of flight instructions in air space. Featuring fly-by-wire technology and sidestick controls, the Bombardier Vision flight deck on the Global 7000 aircraft provides the best in technological and advancements with superior design aesthetics. A fully-enclosed crew rest area affords greater comfort and privacy. With the Bombardier fly-by-wire system, pilots can expect the best of current in service systems: a complete envelope protection which indicates to the crew when the aircraft is about to exceed one of its limits, but authority to go beyond those thresholds if the situation commands it. Fly-by-wire also ensures a smooth ride for the passengers and minimizes maintenance.

What immediately attracted our attention during the Global 7000 presentation is that the aircraft presents a cabin 20% bigger than any other business jets. It has 28 large windows, (80% larger than on previous Global aircraft and provides more window area per zone than any other aircraft on the market), allowing more natural light to enter the cabin. 4 separated areas including private room allow passengers to work and to rest with maximum comfort. Impressive size of the cabin offers an opportunity to choose various configurations for the clients, depending on their preferences. For instance 4 areas of standard configuration could be modified into two cosy areas and spacious lounge zone. When paired with Bombardier WAVE, the fastest high-speed Internet connectivity available worldwide, passengers in the cabin can seamlessly stream and mirror content straight to high-definition monitors just like at home.

Let's now look at the aircraft from an operator's point of you. Maximum number of passengers that allowed by the manufacturer is 19. The aircraft requires 1 814 m to take-off and only 906 for landing. The manufacturer sets maximum operating speed at Mach 0.925 or 982

km/h. Typical cruise speed is Mach 0.85 or 902 km/h. With its maximum operating altitude at 15 545 m and initial cruise altitude a t13 106 m the aircraft continues to impress. With a length of 16,64 m, height of 1,91 m, and width of 2,49 m the passenger will appreciate the Bom-

bardier Global 7000 jet cabin size. Besides its significant range another main advantage of the aircraft is its cabin volume of almost 75 cubic meters, significantly more than any other business aircraft and with unrestricted access during the entire flight.



## The First Heliport Opened in Riga Terminal

The first heliport that had been awarded an international certificate opened in the Riga Passenger Terminal. The transport infrastructure of Latvia's capital received a new strategic facility - the first heliport, the attending guests noted.

At the opening potential clients were presented three helicopters, and the guests got aboard one of them – Bell 429 – to take a tour featuring a bird's eye view of Riga.

Jakub Hoda, a representative for Bell Helicopter, was rejoiced by the fact that the helicopter would be in the heart of Riga: «Very few cities and capitals in Europe enable construction of a heliport nearly in the downtown. We are pleased to develop the partnership, and I also want to stress that this is more than business – this is a step forward towards rescue and security operations».

Location of the heliport is strategically correct, Andris

Ameriks, Deputy Mayor of Riga, Board Chairman of the Freeport of Riga noted at the inauguration ceremony.

«I believe this facility is crucial for Riga, he says. - It could be used for the benefit of all Riga residents in case of emergencies. It will also make it easier for the guests – both foreign businessmen and tourists – to access the capital downtown. Keep in mind that the site would also be important for the Freeport of Riga, since in case of frosty winter we'll have to monitor the ice thickness in the gulf. The certified site with amenities will facilitate operations for the helicopters to monitor the ice».

The heliport was a crucial extra to the port's infrastructure, said Leonid Loginov, CEO of the Freeport of Riga. At a time when the struggle for cargoes has been exacerbating, any competitive advantage wins over potential partners. Appearance of state-of-the-art facilities in the Freeport of Riga was a positive sign for all potential partners, which meant that the port cared for development and comfort of its clients, Loginov noted. His words were corroborated by the heliport inauguration ceremony: the event was attended by a group of Chinese businessmen who showed keen interest for the helipad and the rotary-wing aircraft.

Aldis Plauga, owner of Baltijas Helikopters, said the new heliport clients could choose between two helicopters – Bell 409 and Bell 429, or Robinson aircraft. All the helicopters are company-owned.

Baltijas Helikopters has been operating in the Latvian market since 2000. To date, the company has opened several helipads in the country, and a dedicated service centre for sales and warranty maintenance of Robinson and Bell helicopters in the Baltic states. The company offers helicopters for various applications, including aerial photography, construction, and forest sector operations.





## The Latvian Aviation United

On January 20 this year new Latvijas Aviācijas Asociācija public organization was established. Entrepreneurs engaged in the Latvian aviation sector united and founded an association to implement joint projects on the industry development and lobbying. Arthurs Kokars, a board member of the Latvian Aviation Association, says: «Improving the business environment for all industry players, exporting Latvian aviation services, as well as an exact determination of the industry's role in the national economy are just some of the tasks that are planned to be completed by the new public organization». Currently, the Association is composed of 37 leading airlines of Latvia with a total annual turnover of over EUR 450 million.

The first task completed is the research of the Latvian aviation impact on the national economy. It has been concluded that the Latvian aviation accounts for 2.5% of the national gross output. In 2015, the market share of passenger and freight transportation performed by the Rīga International Airport in the Baltic countries was about 45%. The second largest airport in the region is Vilnius, which serves 3.3 million passengers (market share is 29%). Tallinn is ranked third (2.2 million passengers).

The Latvian aviation sector has grown considerably in the last 10-15 years. Passenger air transportation (2004-2015) increased by 4.9 times. In 2015, Rīga International Airport serviced 5.16 million passengers (it is 7.2% more than in 2014). Of the total number of passengers serviced in 2015, 49% was transported by airBaltic national airline, 18% — by Ryanair, 9% — by Wizz Air.

Main benefits which the aviation sector gives to the Latvian economy are new opportunities for exporters and transit service suppliers. Using an extensive flight network, Latvian entrepreneurs may access the largest

markets and reduce logistics costs. Also, it is important to improve mobility of employees in order to facilitate investments attraction and business aviation development, which will have in the long-term a positive effect on the national economy. In addition, tourism benefits greatly from aviation. It is necessary to take into account the fact that in 2014 49% of tourists travelled to Latvia by air. According to our estimations, airline passengers in the

country spend 78 EUR/day on the average. They are an important source of income for the country.

Latvian Aviation Association plans to expand its activities in future. This includes the arrangement of international transportation conferences and participation in international exhibitions, thus representing the interests of Latvia and the Association members.



## The Nearby Region

*The Baltics business aviation market has changed both in terms of the volume and, most importantly, of the quality over recent years. Such changes have been caused by investments, efficient policy of aviation regulators, and geographic location. All these factors make the Baltics rather attractive both for flying operations and for the business in general. Today we are meeting CEO of Emperor Aviation, Irakli Litanishvili who has personal experience of working in the Baltics market. Mr Litanishvili kindly agreed to answer some questions and share his vision of the processes in the business aviation market of Latvia, Estonia, and Lithuania.*

**Irakli, let us start with the main question. In your opinion, to what extent has the Baltics business aviation market changed recently and what key processes can be seen there?**

The Baltics business aviation market has demonstrated revitalization recently. This is primarily due to development of new infrastructure facilities promoting the traffic growth in the region. As one of the most illustrative examples, I can mention the Latvian business aviation center FBO RIGA. I think that the investors have successfully implemented this project, benefiting from the advantageous geographic location of Riga in relation to the CIS and European countries, applying advanced technologies to set up the terminal and associated on-ground maintenance services, and selecting an appealing pricing scheme. This is why Emperor Aviation was one of the first companies to make in May 2015 an agreement for basing our first long haul Gulfstream G650 in FBO RIGA.

**Judging by your personal experience, is it comfortable to work with the Baltic partners and what primary peculiarities of operating in this market would you underline?**

In our partners, we appreciate, above all, their professionalism and high level of service, as we strictly comply with such quality standards ourselves and strive to anticipate wishes of our clients. This is why we have chosen FBO RIGA as our main partner in the Baltic countries that not only meets our key requirements, but also offers tailored approach. Moreover, Riga is just 60 minutes of flying from Moscow where heavy business aviation traffic sometimes results in shortage of hangar spaces and aircraft parking areas. Given that our company flies under the Maltese flag, i.e. freely flies from and to all countries of the European Union, Riga is the perfect place for basing our business jets now and in the future.

**What do you like most of all about working with the Baltic partners and what do you still have to improve?**

The Baltics are, probably, the closest region to the CIS in the European business aviation market. Close social and cultural ties, geographic vicinity, and reasonable

pricing policy create the solid base for building long-term strategic partnership. It is important that, as the practice shows, the Baltic market players are open for the dialogue with Russia and CIS countries; for example, in the charter market, they often optimize their own costs to offer Russian passengers better prices, as compared with other European operators.

**Irakli, thank you for your detailed answers.**

*For reference: Emperor Aviation is the first Maltese operator working in the Russian business aviation market. Emperor Aviation has been operating in the market since 2013 and is part of Aim of Emperor Group. Emperor Aviation employees have gained ideal reputation in the area of flying private aircraft over 10 recent years and have worked in the major industry companies: Ocean Sky, Petroff Air, Rusaero, DC Aviation, and Vibro-Air. The fleet of business jets of Emperor Aviation consists only of long haul business jets, including Global XRS, Global 5000, Falcon 7X.*



## Global Renewal of FCG OPS

### A Long Journey Ahead

Flight Consulting Group began its operation in July 2000, offering its customers international flights support services. The decision to create such a service was encouraged by the need of the customers who entered the international charter services market and a limited supply of such services in Eastern Europe. The main bet was placed on expertise in international flights, speed and quality of the service offered. The second line of the FCG activities was provision of non-scheduled flights services at the airport of Riga (later, in 2009, this business line became a separate company — FBO RIGA).

Since 2000, FCG Operations (FCG OPS) has been developing its services range, improving quality of the services offered and expanding their list. For more than 15 years of operation, the company's senior management has had a chance to turn FCG OPS into one of the largest business aviation flights support centers in Europe. Today FCG OPS is a round-the-clock Center for planning, coordination and monitoring of flights around the world. Day and night, the Company supports more than 90 aircrafts flying all over the world: from Japan to America, from Australia to Norway. For the time of its operation, FCG OPS has served more than 80,000 flights in 125 countries and 2,500 airports. Among FCG OPS clients,

there are operators and management companies from Switzerland, Austria, Russia, Germany, Malta and other countries.

In order to increase efficiency and competitiveness of its services, in 2014 owners of Flight Consulting Group Holding, which includes FCG OPS, made a decision to restructure and modernize the FCG OPS Centre. The changes were strategic in nature, and their implementation was started in early 2015. In February 2015, Sergey Starkov who previously held the position of Deputy Manager of FCG OPS and Quality Manager headed FCG OPS.

### Turn for the Better: Six Components of Success

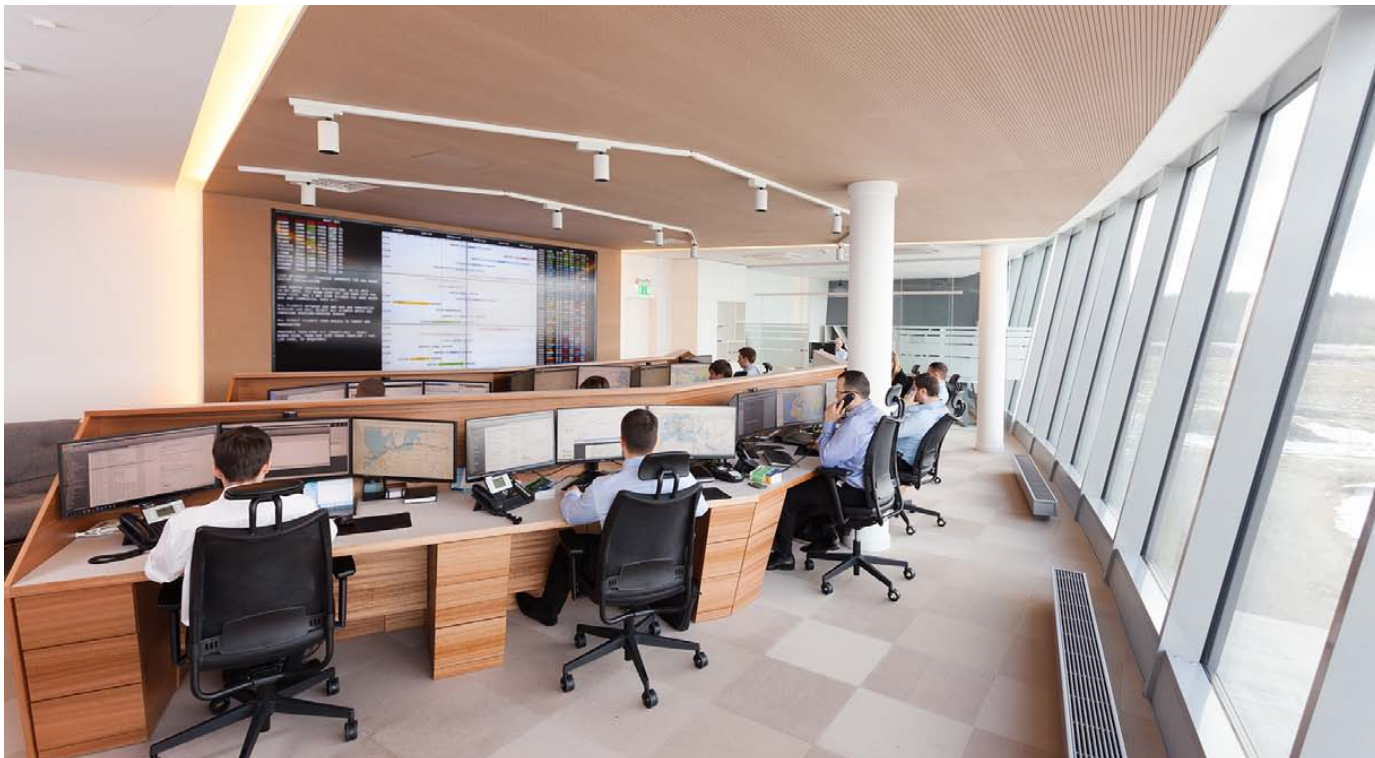
Modernization and introduction of new technologies were carried out in six areas of FCG OPS work.

#### *New Organizational Structure*

A new, more efficient structure of FCG OPS, was developed and implemented taking into account the increase of the volume of the services provided. The Centre practices distinct distribution of functions and responsibilities in each area of work. Introduction of a tender-based procurement system made it possible to improve competitiveness of the Centre. In order to develop the services, the Company monitors the market and uses analytical data on a regular basis.

In accordance with the needs of the market, FCG OPS introduced new areas of work. They included fuel supply, organization of all types of transfers, services for flight crew conveyance and hotel accommodation.

The objective of the changes was to improve quality and efficiency of the available resources, to optimize the



services cost, including due to increasing the volume of orders placed by one customer.

***Personnel Issues. Personnel Selection, Training and Management***

Putting one new flight operations officer in line takes a significant period of time due to the specific character of work and high level of responsibility – from one year to two years. In that context, FCG OPS has changed the HR management system including such areas as personnel search, selection, theoretical and practical training, advanced training, and specifically on-the-job training.

FCG OPS employs two training strategies: training new FCG OPS flight operations officers and increasing qualification of the existing specialists.

This work is performed by a special coach. Apart from this, the company has developed a system of personnel training and testing. Thanks to its personnel development system, FCG OPS gives its employees an opportunity to further develop their professional skills and this, in its turn, yields favorable results for the whole company. Skills upgrading and verification as well as training are carried out by FCG OPS on a regular basis and are mandatory.

***Procedures and Standards***

FCG OPS fully revised the current version of the Manual, an internal document describing each procedure of the process in detail. This document assigns actions of FCG OPS flight operations officers; all employees of the Center must familiarize with it and use it in their work. All standard decisions are made on the basis of the Manual. In cases where a situation is not described by a standard procedure, the decision is made by the head of a shift or

the senior managers of FCG OPS taking into account the totality of many factors.

The Manual is also used for FCG OPS personnel trainings. The document, apart from describing standards and procedures, contains information about customers, their specifics and requests. This solution helps to increase the FCG OPS focus on customers.

The procedures quality is monitored by the Quality Manager. Thanks to its quality control system, FCG OPS improves its services on a regular basis.

Within a year after the beginning of changes FCG OPS could significantly reduce the number of errors in the fieldwork. It is confirmed by reports approved by the Center’s customers – airlines for the benefit of which flights are supported and controlled.

***FCG ATOM IT Platform***

In February 2015, the Company put in service an updated IT system – FCG ATOM (Air Traffic Operation Management) which integrates such systems as ERP, CRM, flight operations, reporting and business analysis.

The idea of this system was conceived and implemented way back in 2000. Over the next 15 years, it was supplemented with optimal control and operations algorithms. Operations of all departments of the Company were integrated in the system. In 2015, the updated version of the system on a new platform (web-based technology) was released. Now the system has new features, such as certain technological operations checklists along with its verification or automatic messages sending. It is now possible to use the system not only on the computer but also on mobile gadgets.

At the moment FCG ATOM is a shared IT environment for all FCG OPS departments which gives an opportunity to streamline the workflow by automating daily repetitive operations, to reduce errors due to programmed actions and the ability of the system to suggest next steps. Information on customers, aircrafts and suppliers is stored in one place and available to employees in ‘two clicks’.

FCG OPS clients can track their orders progress or aircraft in the real-time mode, including from their tablets or mobile phones.

The FCG OPS Manual described above is also linked to FCG ATOM. Flight operations officers can quickly obtain information about any standard procedure or specific features of a customer or supplier.

FCG ATOM also makes it possible to generate a report on any flight by different parameters. It provides an opportunity to monitor and analyze all working stages.

Thus, FCG ATOM is not just a state-of-the-art IT platform. FCG ATOM reflects the company’s philosophy, embodies principles of its operation, allows to implement and use own know-how methods and technologies developed over many years.

***Premises and Facilities of the Flight Operation Center***

In September 2015, a new business aviation complex – FBO RIGA – was launched at the Riga airport. The first floor of the FBO RIGA terminal houses a new FCG OPS Centre. It’s not just a new office; it is a whole new concept in the work of the Operations Department.

The new premises were elaborately planned in such a



way as to achieve maximum efficiency of flight operation officers and to create comfortable work conditions for them. For these purposes, ergonomic workstations were created, the control room furnishings was thought over, soundproofing was ensured using special sound-absorbing panels. This allows a large number of flight operation officers to work simultaneously. Special classrooms were built for training and meetings. There are separate rooms where employees can have some rest. The flight operations room is equipped with a special digital wall installed in the center of it and consisting of 12 wide-screen monitors. It displays a specially designed FCG ATOM interface. IT made it possible not to use boards anymore and not to write operational information on them. The digital wall is used to display different FCG ATOM data necessary to maintain current operations, to collectively analyze problematic flights, to turn over/take over shifts, etc.

### ***New Products for Customers***

FCG OPS has significantly expanded the list of the systems used daily. They include PPP, JetPlaner, JepView, ARINC, PNG, EUROCONTROL and others. Currently, the Company is working on integration of FCG ATOM with such systems, which is expected to shorten the time needed to work with such systems.

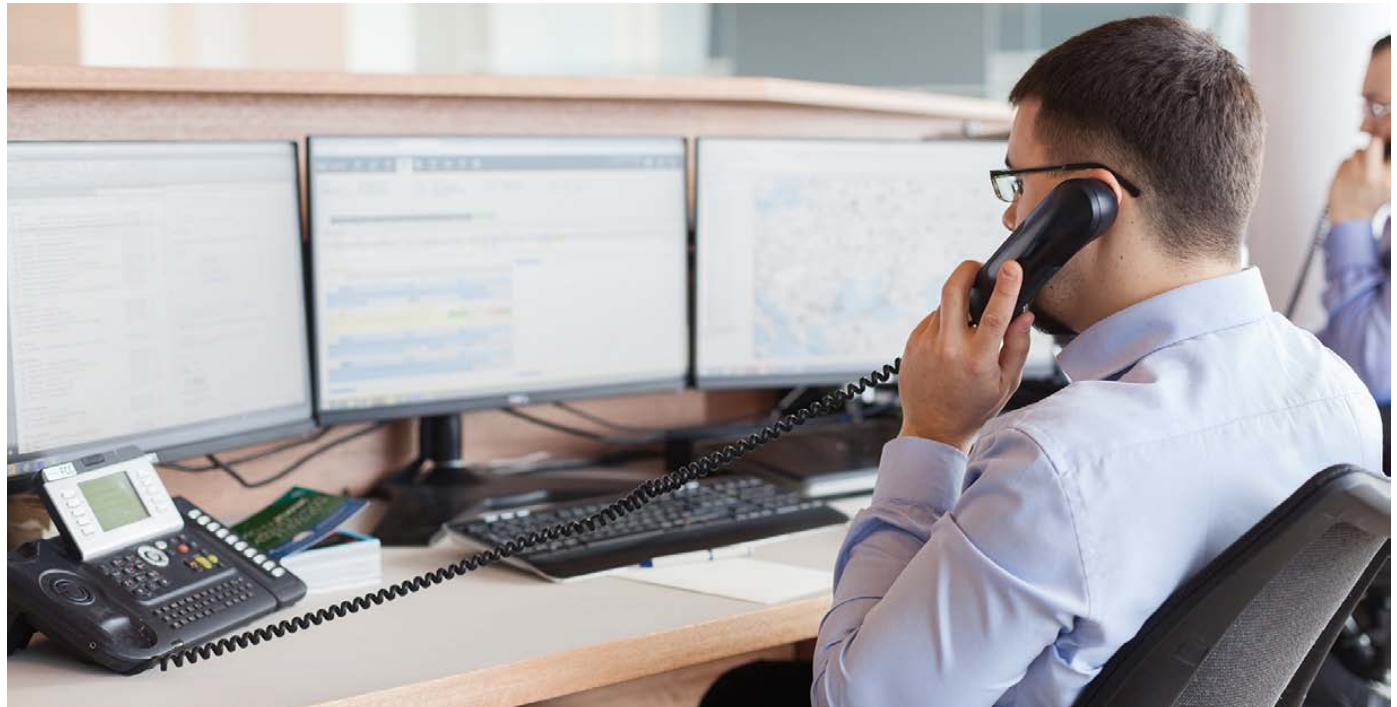
FCG OPS is extending its geographic reach and daily supports flights to Africa, Asia and America. A significant number of orders allows to efficiently organize interaction and to optimize the prices offered by ground servicing providers all over the world. Years of work gave the Company an opportunity to establish useful contacts and to win confidence in many countries, airports and with aviation authorities' representatives. This makes it possible to organize express flights without losing the service quality.

New services are developed by FCG OPS and offered to clients on a regular basis. This, in its turn, allows business aviation aircraft operators to optimize the costs associated with operation of aircraft and to improve their appeal in the eyes of their customers.

### **FCG OPS Prospects and Development**

In a volatile environment, market, efficient professional solutions enabling flight operation officers to elastically respond to changes in the fleet become more and more important. FCG OPS can offer its clients low cost of flights servicing, compliance with all EASA regulations, high level of services quality and a high-demand popular B2B solution.

«We do not rest on our laurels and are continuously working to improve the services quality: we pay more attention to personnel training and providing them with convenient tools for efficient work. We are also encouraged to do so by requirements imposed by and audits carried out by our clients from Switzerland, Russia, Germany, and other countries. High-quality service has become our culture and an essential part of our Company life. And taking into account a large number of flights served, we offer it all at affordable prices and in a flexible manner», shared his ideas Sergey Starkov, FCG OPS Head. «We also develop our service range and geography on permanent basis. And shortly we will offer our clients some new exciting and exclusive products».



## The Russian View on the Baltic States

It seems the protracted phase of political squabbling and mutual distrust between the Russian and the Baltic partners is becoming history, being replaced by balanced business approach and willingness to revive business contacts always very typical for the neighbouring countries. However, the political background is still slightly adjusting those relationships, although its impact has been noticeably dwindling of late. These are the trends mentioned by the Russian players of business aviation market when stating the growth of business transportation in the Baltics and revaluation of priorities.

As **Evgeny Bakhtin**, president of AVCOM Group, puts it regarding the growth of business aviation of the Baltic region, one should not pass over its certain growth, versus the absence of such in Europe and the evident shrinkage of the Russian market. To some extent this is due to both the outflow of private jet owners who in the unfavourable economic environment have to cut the high aircraft maintenance costs at Moscow airports by relocation to the Baltic states, and due to successful investment projects in the business aviation infrastructure of airports in the Baltics.

«One should note a series of projects, involving Russian investors and envisaging creation of business aircraft maintenance and repair centres. Availability of qualified maintenance staff, location in the EU and relatively low wage level create quite enticing conditions for development of the business. Proximity to the large Russian market enables the Baltic airlines to launch very competitive offers on our (Russian) market in respect of aircraft basing, maintenance and storage, and this becomes specifically appealing for the Russian clients who have become more careful with maintenance costs of owned business aircraft», Mr. Bakhtin maintains.

This viewpoint is partly shared by **Mikhail Titov**, CEO of Business Aviation Systems; who notes while commenting on the state of affairs in the Baltic business aviation that a bunch of infrastructure projects for business aviation have been completed in the Baltic states over the past few years, including hangars, ramps, terminals, line maintenance and MRO stations. Several new business aviation operators have emerged, but no large players of the European market are among them. We still see enhanced interest for the Baltic partners from the eastern and the western neighbours, while the domestic market shows minor growth, as reports indicate.

We could thus conclude that they mainly export these services to foreign markets. I assume their offer is appealing for the Russian clients due to the following elements: use of alluring price base with the high service level, location in the EU customs area, which facilitates spare parts and staff logistics, availability of qualified and not really expensive staff and traditions of aviation education, plus naturally the comfortable language environment while implementing Western approach to problem-solving.



As maintained by **Andrei Kalinin**, Managing partner of the Business Aviation Club, the range of offers and services has been gaining momentum in the region, which has positive impact on the pace of business aviation market development in the Baltics. Beyond any doubt, FBO RIGA opening has become a powerful impetus and a driver for further progress in the field. However, Mr. Kalinin emphasises that the sanctions factor has played its huge and unambiguous role: on the one hand it forced some owners and operators to change previous routes, with focus on the Baltics, and on the other reduced overall activity of the Russian business community, business aviation clients, could not but affected the drop in the number of flights. The geopolitical situation caused by enhanced reciprocal claims between NATO and Russia adds extra agitation now, and unfortunately the sides have been actively fomenting the Baltic issue.

As resumed by **Pavel Zakharov**, Managing Director of Jet24: «I believe the Baltic market has settled down, with the most competitive and strong companies remaining that offer their services featuring the perfect price/quality ratio. The Baltics are now quite enticing for our clients, but a good deal hinges on the product a certain company offers. It would be generally useful to increasingly promote the product/register (like Aruba or Bermudas do)».

Each and all of the respondents note successful infrastructure investment projects in the region and competent policy by both the aviation regulators and the owners. «The investment projects being implemented and those completed in the business aviation of the Baltics are primarily linked to upgrading the ground utilities at airports, their adaptation to stiff requirements of business aviation clients. Another area of investing is establishment of large aircraft maintenance and repair



centres, including maintenance of contemporary Russia aircraft, specifically Sukhoi Superjet 100. Such investments are very promising in view of expanded SSJ-100 sales in Europe, both in the air jet and corporate aircraft versions», Evgeny Bakhtin explains.

«As far as I know, the point is not about quick ROI or super profits. In this regard the situation is likely to resemble the investments in the West European nations, where

ROI within 10-15 years is normal», Mikhail Titov says. According to Andrei Kalinin, the infrastructure emerges where the business actually needs it. Apart from Riga, many companies claimed to develop also Tallinn as a business aviation centre, but Riga is currently better developed. In Tallinn and Vilnius the infrastructure is quite mature, although worse than in Riga and sufficient for definite aircraft types only. In the words of Pavel Zakharov, investment projects in the region have been

quite interesting due to being part of the EU, with all the entailing consequences. «We are engaged in a couple of such projects, but I'm now not ready to give details».

Location in the European Union, favourable business climate, moderate tax burden with exemptions for opening a business entity to enter the market, responsible administration combined with qualified staff availability create nearly ideal conditions for business projects implementation in the Baltics. One cannot fail to mention that the residents are «nearly by a quarter of our people», as a renowned song has it, meaning that many people there

speak Russian and has high skills, which drastically eliminates any language and social barriers, contributes to quicker achievement of mutual understanding and business projects implementation, our respondents believe.

«I like very much the fact that we speak the same language, for all purposes. I think the market is sufficiently saturated in all the segments, we have leading companies (from the Baltics) who operate in the charter, the management and the brokerage segments, let alone flight support companies, ground FBO (two of them in Riga)

and MRO. So the market is quite densely divided, all the companies are rather competitive in other markets as well (apart from the Baltics/Russia)», Pavel Zakharov draws a line.

However many tend to think that the latest trends in levelling the foreign and domestic business carriage are gradually exerting pressure on emergence of needs for acceptance and maintenance of jets inside Russia. «Small airports start developing, like Kaluga, Ramenskoye and service centres, which will in the future provide rivals for the Baltics», Mr. Kalinin summarised.





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**«No matter how fast you move across borders and change continents, Noble roaming will follow you there».**

Whether our client is in a Delhi office, visiting a private banker in Zurich or having a walk on the beach in Miami, he always stays connected with voice and data services at the same fixed rates regardless of the continent. Just like that, with one SIM card for 235 countries and free

unlimited services in the USA. Noble provides all the mobile services that are ever needed. There are three tariff plans to suit various communication habits. However to truly enjoy limitless performance, choose Noble's Infinity tariff – unlimited voice and data traffic all around the world.

**«Whether these are hour-long conversations, video business conferences, favourite HD movies or high-quality music streaming – you can be sure that your abilities are infinite».**

And still there is more. We believe that extraordinary lifestyles demand exceptional solutions, so we always go the extra mile to be your companion – no matter how high you fly. In addition to a fixed Noble number, our clients can connect multiple lines for incoming calls from more than 60 countries. Their business partners, friends and family can reach them on a local number from the country they are in. Over 700 000 minutes of conversation are used by our clients monthly. And we take the quality of connection and security of data with the utmost responsibility, representing a longstanding tradition of indisputable quality and confidentiality.

**«Based in Lugano, Switzerland, our reputation is built on reliable fulfillment of our commitments».**

We are proud to be partners with the institutions that share our philosophy of striving for excellence and specialisation in providing exclusive and highly personalised services. What makes Noble so good? Always going further in understanding the lifestyle of our clients. We assist them in achieving their goals and opening new horizons. Perfecting this art is our unending and truly exciting endeavor.



## I, II, III, IV...

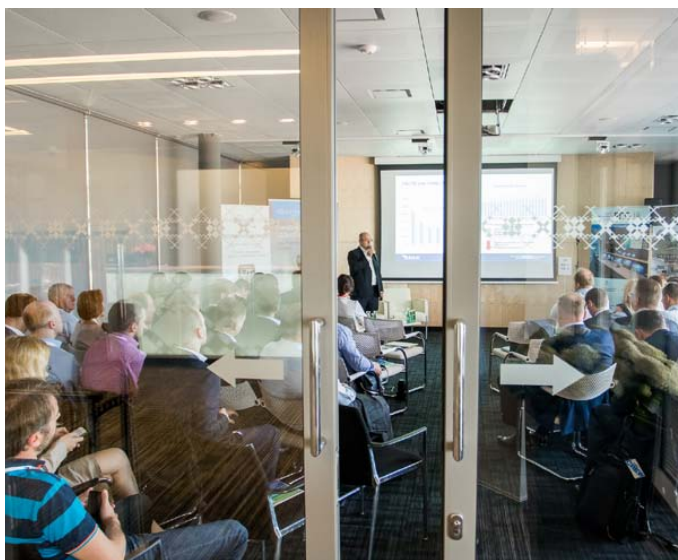
In October 2012 the Baltic Business Aviation Forum took place in Riga. The event had a very ample task – to get together at one venue business aviation professionals from Russia and Europe. Many had a skeptical attitude – meetings, shows, conferences are too many, and invitations are received every day. However, hesitations were in vain: the event succeeded and became a favorite one for many.



For the first time the Forum was organized in the end of October – the weather was nasty: on the second day when a tour to the airport was planned, the city was covered by a snowstorm. It was even risky to leave the hotel by bus, so difficult was the traffic. But surprisingly, the moment the bus left the city, the sun began to shine, there was not a single cloud in the sky.

The participant were very satisfied. It was then a pleasure to hear good feedback during several months and to share good memories. «We got aquatinted in Riga, and became friends», these words are priceless.

So there came the decision to organize one more meeting. Considering the «snow» experience August was chosen as a new date. Hesitations arose again – vacation period, hard to get people together... And now, for several years, every August everyone gets together, asking about the event long before it is announced. People come here, meet each other, and leave the BBAF in perfect mood ... and waiting for the next summer.



**... and V!**

On August the 5th the V Anniversary Baltic Business Aviation Forum resulted in a successful event in Jurmala. The event has its history and again gathered a solid number of participants from the number of business aviation professionals. This year the greatest number of delegates registered at the event. Event schedule was a traditional one – business program organized on basis of Riga International Airport and an evening reception in a beach tent of a five star hotel in the center of Jurmala.

The conference took place at Riga Airport VIP-Center. Arturs Saveljevs, Member of the Airport Board addressed the attendees underlining that organization of such events has the most positive influence on business. The program itself consisted of several reports covering both the development of business aviation development in general and also its regional aspects. In particular there was provided information on state of the industry in 2015 in accordance with international civil aviation organizations reports and perspectives



of its development, business aviation in the Baltic states, achievements and new plans of the Riga Airport, perspectives of business aircraft market, advantages of usage of ATOM – an IT-platform for business aviation, and also marketing for business aviation.

During the airport tour the participants could see several

airport objects and also visit Aviation research center that realizes the project «Perspective Aviation Diagnostic Technologies». The tour ended at FBO RIGA, opened in 2015. Here the attendees could visit the hangar, the business aviation terminal and the FCG Operations Center learning more about the ATOM IT-system in use.

The event in general received very good feedback from participants and partners. The next forum is planned for August 2017.

The event is sponsored by Flight Consulting Group, FBO Riga, International Airport «Riga», Rietumu Bank, NOBLE.

