

# cepaexpo

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## CEPA EXPO

Symposium for Industry Solutions

Cdr. Bud Slabbaert

Dagmar Grossmann and Philippe Lienard

After another conference day of interesting panel discussions and delegate networking between sessions, it is my honest and objective conclusion that this was a high-class aviation industry symposium. I was a speaker myself at the first CEPA EXPO conference four years ago when it was a relatively small conference but a beginning with the right intentions and objectives to create a new platform to bridge the experiences and differences between East and West. I see a signifi-

cant positive difference that was accomplished by a full effort and by introducing new conference features like the 'Cepenger' message system for interaction between panel and audience. CEPA EXPO has become an event of significance not just for Central and Eastern Europe but far beyond the region. After all, business aviation is a global industry and any region and part of the world is involved to find ways to offer unsurpassed services to its clientele. Often rules and regulations that differ in the

various countries as well as the layers of bureaucracy create hurdles that no one likes, yet, the industry professionals have to find solutions for them. A way-out can be found by interaction between experts from all areas of the trade and for this interaction it is important to gather in one central location. CEPA-EXPO may be considered an optimal stage for manufacturers, operators, brokers, legal experts, and also airports, FBO and other service providers.

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After yesterday's last panel meeting I had an opportunity to sit down with Dagmar Grossmann the Founder of the CEPA association and initiator of the CEPA-EXPO conference. We picked out a quiet area of the Congress foyer with the skyline of historic Prague as a backdrop. Dagmar looked relieved after another successful day and so my first question came automatically:

"Dagmar, how did it go? Are things coming along as you had envisioned after all the preparations?"

"You, know. I have a heart for the industry. My aim is to help the industry and someone just needs to take the initiative. CEPA-EXPO is one way to bring

the finest professionals together and provide them with the opportunity to communicate with each other. I'm inviting the most qualified people. Some of them I know personally and know their background, experience and their competences. I also invite companies to send their key delegates to represent their interests and explain their corporate view points or values. I try to accommodate this platform by providing the optimal environment for conferencing.

My professional life was all about service to people who are using an aircraft for efficient and comfortable travel. I have seen the business and industry from all sides. I always had very close contact with customers and owners. I have had direct conversations. I under-

stand their needs on the one side but on the other side I also understand what the industry can offer to them as well what needs to be done more and better.

I grew up in Austria which is actually Central Europe and I have seen and experienced results of the political changes and the new opportunities for the region. I established Grossmann Jet Service in Prague and worked hard to do the right things and create professional charter and aircraft management operation. That is me, and what I'm all about."

Listening to reactions by the various delegates at the conference, CEPA-EXPO is considered a must-attend event and should be pencilled in next year's calendar of conference participations. C

## Networking Breakfast



## Quotes of the Day



**Dr. Andrea Galli**

Scalaris

**"Stronger regulation produces stronger hidden systems."**



**Margriet Bredewold**

Baldwin Safety and Compliance

**"The best safety feature on an aircraft is a well trained pilot..."**



**Charlie Bodnar**

CEO of Eurojet

**"Increasing level of insurance reflects the cost into prices for handling."**



**Peter Morris**

Ascend's Chief Economist

**"Regional operations have been hit harder than any other group - economics on thinner routes challenged by trends in aircraft economics, as well as flexible Low Costs Carriers competitors."**



**Marian Jancarik**

Sales Director at Colibri Aircraft

**"The actual number of aircraft for sale has not decreased in the last 4 years. The reason for the reported decreases in the percentage of available aircraft is due to the increasing number of total aircraft in circulation."**



**Christian Beckert**

CEO at Aviation Screening

**"80 percent of accidents are caused by human factors."**

# Mining Gold at the Conference

Cdr. Bud Slabbaert

So, you came to CEPA EXPO to network. You meet lots of people. A bit of chit-chat, a bit of gossip, and an exchange of business cards to ensure that you have the coordinates. That's not what networking is about! It doesn't take an old gold digger to point out that it makes no sense to look for the precious metal on territory that is already claimed. The gold digger will also tell you that you need to wash a lot of dirt in your pan to find a nugget. Some people believe that when a gold vein is found right under the surface it will need no more than a toothbrush to wipe away some soil. Skilled goldminers don't share that belief and neither does an experienced networker.



For a discovery expedition a scout is the right person. Just like scouting, networking at a conference is a specialized activity. The scout's assignment is not to look at the trees of a forest, he's sent out to see who or what is hiding behind the trees. The networker should not just collect business cards and take them at face value; some effort must be made to go beyond the person who handed the card out. One cannot just say "nice to meet you, please tell me who you are." A networker is an agent on a special mission with an arsenal of fact finding methods and charms to connect and try to discover whom or what you know that may

be in his interest to know. A networker must have the attitude to go where no one went before because that is where new markets, clients or partners may be found that were not yet exposed to competitors.

A secret of creating a network is to build it before you need it. People can recognize the difference between a sincere attempt to create a relationship and an act of desperation. Building a network shortly after starting a company or introducing a new service is likely to be perceived as promotion or act of anxiety. Who wants to be approached and feel like the target of a promotional cam-



paign or being confronted with someone with the approach of trying to catch a prey?

There is a belief about networking that invisibility is worse than failure and therefore one should never disappear and never miss an opportunity to pass out business cards. This has a sense of superfi-



ciality that has nothing to do with proper networking. It can repel more effectively than a scarecrow. Essential to good networking is the ability to have conversations on a wide range of topics with anyone from any background and then to leave with a lasting connection of some sort. A good networker has the anchor capabilities to bridge gaps and to establish new relationships that would have been unlikely to happen without the efforts of that networking activity.

Networking may be one of the oldest mechanisms by which opinions on products and brands are developed, expressed, and spread. In modern social networking it has been proven that



people feel more comfortable about sharing information and doing such more openly. The importance of networking has increased to the point that the word has become trendy, but when it comes to practicing it, one sees a lot of clumsiness and misconceptions as if it was the first time of practicing juggling with three balls.

So, if you think that networking is like gold mining and that an aviation conference is like a perfect goldmine, here is news for you. The largest producing gold mine in the world in West Irian, Indonesia is primarily a copper mine. Also in large copper mines in Utah considerable amounts of gold are recovered. What does that teach us? If you are searching for the elite you may not necessarily have to mingle with the elite! ©

## What Do a President, His Holiness and James Bond Have in Common?

CEOs of international airports are extremely occupied to handle all interests of the aviation community and infrastructure that may be called the gateway to a city or region. Their schedule is loaded with appointments and obligations. CEPA-EXPO is extremely pleased that Jiri Pos, CEO and Chairman of the Board of Prague Airport, Ivan Thrlik, CEO and Chairman of the Board of the Bratislava Airport and Radek Zabransky, Sales and marketing Director of Karlovy Vary Airport made time available to attend the conference and will contribute to the quality of the discussions in this morning's 'Airport Session - Importance of airports in relationship to industry development'

For your visit to the conference you may have arrived at the Vaclav Havel Prague Airport and depart from there tomorrow. Here are some things you may want to know. The Airport clears about 30,000 passengers and 359 take-offs and landings per day and the yearly figure stands at roughly 12 million passengers. Scheduled commercial flights account for 88 percent of the operation at the airport. Fifty carriers operate at the Prague airport, flying to 132 destinations on scheduled flights. The top five airports to which passengers from Prague fly most frequently are Paris (CDG), Moscow (SVO), Frankfurt, London (LHR) and Amsterdam. As for countries passengers fly most often to Great Britain, Germany, France, Russia and Italy. It is the busiest airport in the 'newer' EU member states. With a share of 30%, the major air carrier at the airport is CSA, the flagship carrier of the Czech Republic and one of the five oldest airlines in the world. The airport has more than 2000 employees, while approximately 15,000 people are employed by companies operating at the airport or linked to its operation.

In October 2012, the airport was officially renamed the 'Václav Havel Airport Prague' after the country's first post-Velvet

Revolution president, Václav Havel, who served as president of Czechoslovakia (1989-1992) and then as President of the Czech Republic (1993-2003). This name change of the airport took place on 5 October, what would have been Havel's 76th birthday. The IATA code PRG code and ICAO code

LKPR remained the same. Before taking office as President, Václav Havel was a playwright, essayist and poet. He wrote more than 20 plays and numerous non-fiction works, translated internationally.

*“Work for something because it is good, not just because it stands a chance to succeed”*

*- Václav Havel -*

Vaclav Havel was befriended with the Dalai Lama. Most recently His Holiness visited the former Czech, President, at that time, in Prague on December 10, 2011. For his flights to Central Europe, the Dalai Lama frequently used The Embraer Legacy 600 of Grossmann Jet Services of which CEPAs initiator Dagmar Grossmann is CEO and Founder, and who on one of the occasions stated: "It's not a matter of luck that we are escorting His Holiness again. The Dalai Lama is of course one of the most distinguished clients but we like to provide the same level of service to all our passengers."

In 2006, the airport of the Czech capital city of Prague was used as the location for a scene in the James Bond film 'Ca-



His Holiness Dalai Lama and Dagmar Grossmann

sino Royale'. But the airport along with a Virgin Atlantic Airbus A340-600, depicts a scene that takes place at Miami International Airport in the film. The film plot said: "In Miami, 007 kills Dimitrios and follows Le Chiffre's henchman, Carlos, to Miami International Airport. There, Bond foils Le Chiffre's plan to destroy the prototype 'Skyfleet' airliner by stopping the fuel truck he was planning to crash into the airplane." Most of film was shot at Barrandov Studios in Prague and the final shoots were done at the Pinewood Studio near London. The well known Czech spa, Karlovy Vary, was used as the exterior of the Casino Royale, with the Grand Hotel Pupp serving as "Hotel Splendide".

Prague's Airport CEO, Jiri Pos, may not be able to give you any information on the Dalai Lama visits or the film shoots with MI6 agent James Bond, but he may comment on the long-term and stable increase in the number of point-to-point passengers and the favorable impact it has on his airport's revenues, as well influences an increase in the area of non-aviation commercial business. Or, he may comment on the collaboration with Incheon International Airport of Seoul, South Korea by developing new connections between Prague and Seoul, and on exchanging information and experience as well as engaging in joint marketing activities. C

## Reflection on Atmosphere



# Connection Commercial and Private Aviation

Cdr. Bud Slabbaert

From its beginnings, the aim of CEPA was to bring together and connect aviation professionals from East and West. This year's CEPA-EXPO introduced a new crossroads feature that may be considered a 'World-Premiere'.

"We are the first conference in the world that brings partners from both commercial and private aviation together," says Philippe Lienard, current CEPA Chairman. "It is important to involve both commercial and private aviation in this and, as Central Europe is the growing region of Europe, it is suitable that we added an extra day to the program. We have invited key influencers in the industry who explore both sectors successfully and will talk about the synergy between the two. There is a lot that commercial airlines can offer to business jet operators and vice versa."



Philippe Lienard

This fourth CEPA-EXPO has proven to be an opportunity to explore, network, and find new ways of cooperation between commercial and business aviation. The CEPA organization should be commended for the initiative and the forethought to make an extra day available for this purpose. In the context of cooperation between these two differing aviation segments, let's take a brief look the airport side of things.

Every airport is different; every aviation operation is different. Having a reliever airport for private aviation may be a blessing to major airports. Other airport operators may be afraid of losing business to a satellite aerodrome. Business Aviation has "ad hoc" characteristics which are a nuisance compared to scheduled traffic. However Business Aviation can be more lucrative since it needs fewer resources to handle a large bizjet with one or a few passengers, than it takes to handle a commercial passenger operation that requires

attention, facilities, equipment and services for anything from a baggage lost and found department to people operating the jet bridges at the gate. National airports need a facility for government VIPs and they a maybe used relatively little; it may be cost saving if that same facility could



New CEPAA logo was introduced

also be used for business aviation VIPs. Finding opportunities and added value by examining synergies is important to any operation, be it landside or airside, and be it on the ground or in the air. Exploring common ground and ways to share costs is not just an option, it is a necessity.

The panel in today's 'AIRPORTS SESSION - Importance of airports in

relation to industry development' will discuss the importance of the infrastructure in CEE region and the modernization of airports for the industry development and prosperity of the region? In that regard, it is important to keep in mind that every Business Aviation passenger arriving on a private aircraft is a potential investor in the region and that this passenger may be traveling on a bizjet because he or she may be the executive or stakeholder of an entity that contributes to the economy of the region.

In yesterday's 'INTEGRATION SESSION - Working together: Business and Commercial Airlines', we have heard the expert comments and explanations to the questions whether there is a possibility for an for an ideal profit model that brings mutual benefits, how deals may be analyzed and then gains be realized, and if there could be ways for off-shoring, outsourcing and to create alliances."

Chairman Philippe Lienard has followed the discussions with attention to see how experts from the two segments of the industry interacted and concludes:

"We were pleased about the discussions during the 'INTEGRATION SESSION'. At next year's CEPA-EXPO we will definitely consider how we can broaden this new conference experience of bringing the two aviation segments together. I'm sure that an increased number of pro-

fessionals of the commercial aviation sector will attend. And..., holding the CEPA-EXPO 2014 at a major airport like 'Vaclav Havel Prague International' would make a lot of sense and may be more feasible than ever as the airport in many ways serves the two segments that we are trying to join in dialogs and networking.

When I look back on the conference events in the past days, I liked it very much that the focus remained on Central

and Eastern Europe. What I enjoy about the conference that it is not a compilation of speeches and Power-Points but rather a lively interaction between experts on the panels and the professionals in the audience. The knowledge is in both sides of the room and challenging and sometimes provoking the exchange of opinions and experience on both sides is a dynamic that I myself enjoy and I think all delegates also." C

## Mi-171E Transport Helicopters Delivered to China

18.11.2013 - Russian Helicopters, a subsidiary of Oboronprom, part of Rostec State Corporation, announces that four Mi-171E transport helicopters have been delivered to Poly Technologies under a contract signed in 2012 by the Chinese company and Rosoboronexport.

Under the contract Russian Helicopters will supply 52 Mi-171E transport helicopters to China. The latest consignment brings the number of helicopters delivered to date to 32, with the final batch expected to be transferred in 2014.

Russian Helicopters has worked with Poly Technologies since 2009, when the companies signed a contract for 32 Mi-171Es. The contract was completed in 2011 and formed a good foundation for continued cooperation.

The new Mi-171Es produced by Ulan-Ude Aviation Plant, a Russian Helicopters company, are specially adapted to provide high-class performance in mountainous terrain. They are fitted with enhanced VK-2500 engines and Safir auxiliary power plants, modernized transmissions, searchlights, internal fuel tanks and landing seats. The loading ramp and additional sliding door on the right-hand side make transportation tasks more efficient.

Chinese crews have successfully completed training at the Ulan-Ude Aviation Plant's training centre, where they learned techniques and rules for piloting the helicopters in various conditions using advanced training methods on the latest Mi-171 flight simulator. The pilots

praised the comfort and ease of use of the simulator, its consistency with a real helicopter and the high level of competence of the training centre staff.

Mi-171s operate successfully across China, in particular in areas with complex terrains and harsh climates. They are used to carry a wide range of cargoes, including medicines, humanitarian aid

Chinese rescue workers and helicopter operations praised the indefatigability, reliability, durability and ruggedness of the Russian-built helicopters.

China is one of the biggest operators of Russian-made helicopters. Most popular of all are helicopters of the Mi-8/17 series. The country has a fleet of about 150 Mi-171s; also operated in China are



Mi-171E

and construction materials. In addition, the helicopters are used to support rescue operations and in the aftermath of emergency situations.

The Mi-171 flew missions to rescue and extract people following the earthquake in Sichuan province in April 2013. With mountain roads completely destroyed, the helicopter was the only means of transporting and delivering cargoes.

the heavy Mi-26TS and the multirole Ka-32A11BC. China can provide full material and technical support for Russian-built helicopters, with well-trained flight and technical and engineering staff. In future China plans to expand its fleet of Russian-built helicopters, and Russian Helicopters stands ready to offer its Chinese partners the latest models including the multirole Ka-226T and Mi-171A2. C

# Pre-Owned Aircraft

Marian Jancarik is Sales Director of Colibri Aircraft. He is one of the three panel members of the Aircraft Broker Session covering the topic of the pre-owned aircraft market. Marian operates in the Central and Eastern European market from his office in Bratislava, Slovakia, while the Colibri Headquarters and its dedicated marketing and support team is located in London England and from there covering Western Europe and North America.



Marian Jancarik

“Bratislava is a good location for my activities. It’s only a half an hour drive away from Vienna. Russian customers like to come to Vienna or London for meetings. So, our two company locations are well positioned. Worldwide, Russia is still the second most important market for business and private jets after North America. In the past I was heading ABS Jets in Prague for five years; I took over when it was a group of 20 people and left the company when it had become a major player in its field. Think about it; 12 years ago there may have been 5 business jets at the most in Czechoslovakia; now there are about fifty in the same region. What didn’t find much consideration ten years ago is now the location of three major OEMs. The business aviation developments in Prague also reflect that the Eastern European market is a thing to be reckoned with. Prague is one of favorite cities I’m glad to be back in town for the CEPA Conference. The event brings people from various geographical areas together and gives all of us the opportunity to share some of our knowledge and thoughts on the preowned aircraft market. The perception, preferences and mentality of the market in Central and Eastern Europe is different than in Western Europe.

Our company, Colibri Aircraft, specializes in the marketing, resale and purchase of preowned private aircraft around the globe. We want to bring honest counsel

to owners and operators and in no way will we make statements that we cannot prove or make promises that we knowingly cannot keep. We know how to buy and sell. We see what is happening in the market place and where the market is moving right now and we know.

There are a number marketplace statistics out there used to describe the overall status of the pre-owned aircraft markets. In the last couple of years we’ve seen slow decreases in the percentage available for sale. The reason for the reported decreases is due to the increasing number of aircraft in circulation. That is how that figure is calculated. The actual number of aircraft for sale may not have decreased in the last 4 years. Manufacturers have built more 2,500 new aircraft in those four years. Therefore, percentagewise it looks like there are fewer planes for sale and what is widely lauded as an improvement is not as comforting as it seems. Caution is advised for those who forecast imminent recovery in aircraft prices. The difficult trading conditions and declining prices of recent years have been caused by the consistent number of total aircraft for sale and the fact that there have been more aircraft for sale and coming for sale

than there are people buying them. Future trading conditions may not offer a materially different forecast, and so while the percentage of aircraft for sale is dropping, it is more likely that prices will also continue to drop because the demand continues to lag behind the available supply. Yet, pre-owned aircraft don’t seem to stay as long on the market which is a good sign. We hope that the trend will continue that way but no one really has the analytic tools to make a precise prediction.

As aircraft brokers we represent buyers and sellers. We need to know their objectives, needs, and timeline. For buyers we look for the aircraft that will offer the best purchasing and operational experience, and we try to find the best buying opportunity that is present in the marketplace. For sellers we need to conduct a successful marketing campaign and after the right buyer is found, it is important to ensure that all parties work together, that we keep them on track and on schedule, and we have to sort through the numerous de-

tails that inundate an aircraft transaction. The price is really only a small part of the transaction formula. There is a multitude of organizational and intense regulatory requirements for aircraft export/import. We examine maintenance and operational history. It is our job to skillfully manage every detail in the knowledge that the smallest of details can make or break an aircraft transaction.

The extensive knowledge gained through direct experience in resale transactions enables us to provide consultation to owners and to financial institutions regarding collateral assessment from pre-funding to ownership to sale. We can also perform periodic checks to monitor the asset. During an ownership or an institution’s stakeholding, the only value is the asset, and that value is only realized at resale. In the event of repossession, we can coordinate the recovery, storage, oversight and resale of the asset. Our understanding of resale transactions allows us to evaluate where plausible risks to resale value may be in the future. In general terms the word broker may mean acting as an agent for others in negotiating purchases or sales. Our professional expertise and our activities go far beyond that simplistic definition. It also explains why my business card also shows “Asset Advisor” as part of my title.

Most transactions are closed outside the European Union mainly for tax reasons. In principle all well established banks are good for financing and it is

nothing new that whoever can afford owning an aircraft already has banking relationships. However, it is difficult to deal with a financial institution that is not acquainted with aircraft transactions. Securing the asset can be quite complicated. We prefer to work together with a partner who understands the typicality and numbers of aviation. After all, our customers are looking for a transparent and smooth transaction. The same holds for aircraft registration and legal advisors; it is highly unlikely that we would go with a new kid

“One of the trickiest parts of any airplane transaction is working through the logistics of timing.”

on the block. Mind that one of the trickiest parts of any airplane transaction is working through the logistics of timing. Buyers want to use an aircraft as quickly as possible after the purchasing decision was made, while sellers are usually selling in order to fulfill a certain financial goal. How those desires of buyers and sellers translate into the implementation of a deal is where it can become rather complicated. All involved have their own schedules, deadlines, days off and sense of urgency. These factors become increasingly important towards the final stages of a transaction when most parties

are working simultaneously. There is no need to make it more complicated than it already is and therefore with all due respect, we need comfy solutions. That is how it is.

What I like about my activity is that every deal or transaction is a one of a kind project for itself. Each one is distinctive in its structure, purpose and character. Each set of individuals behind the parties is unique in their motivations, personalities and eccentricities. With every new project the challenges change. I believe that I’m more a project manager than a career man anyway. When I left my previous position in Saudi Arabia where I was in charge of sales and promotion of Embraer Executive Jets, and before I joined Colibri Aircraft, I thought about what kind of career change would suit me best. If I would join a large corporation, they would probably send me somewhere abroad again. I’m Slovak from Bratislava and I have a family. I could have chosen to start my own business but then I would not have the professional support that is needed to be successful in this kind of business. Becoming part Colibri Aircraft, operating on the Eastern European stage, being the Embraer specialist, having a feeling of independence, and yet working under the umbrella of good professional support from the London headquarters, was the perfect combination. It really brings out the best of me, which is a triple-win situation for me, the company and our customers.”

**KATZ** UNIVERSITY OF PITTSBURGH  
JOSEPH M. KATZ  
GRADUATE SCHOOL  
OF BUSINESS

**Executive MBA in Prague**

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SUIT YOUR NEEDS

*with our*  
TAILOR-MADE SERVICES

*using our*  
EXPERTISE, KNOWLEDGE & EXPERIENCE!

