

Managing and Operating Aircraft in Saudi Arabia

By NasJet

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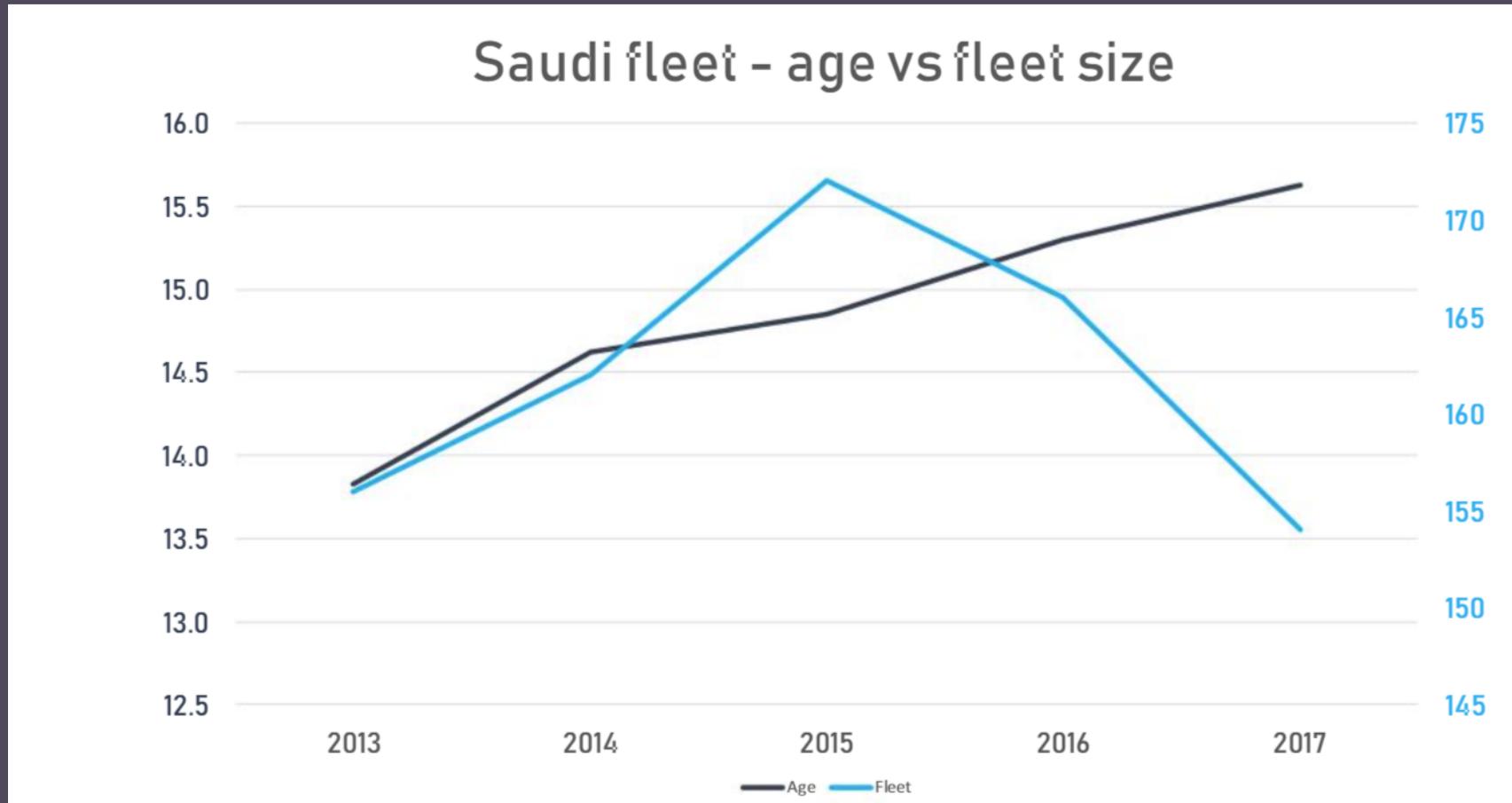
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Introduction to Aircraft Management in Saudi Arabia

- Private Aircraft Management in Saudi Arabia began over 30 years ago.
- Management Companies in Saudi Arabia have reached 10 and are growing.
- Operators with Commercial Business Aviation Air Operator Certificates have reached 6 to date and are growing.
- Aircraft Management competition has risen within Saudi Arabia and has led to improved services with all management companies.
- Competition has increased locally and aircraft owners are looking for Aircraft Operators who they can trust.

Current Private Business Jet Aircraft in Saudi Arabia



Outlook of Aircraft Management and Operators in Saudi Arabia

- Aircraft Management is the future focus of Private Business Aviation in Saudi Arabia.
- Increased government spending has led to positive outcome in the region for Aircraft Management companies and Operators.
- Future Mega Projects in Saudi Arabia and the 2030 vision of the Kingdom will lead to additional private business jets being brought into Saudi Arabia.
- The Aircraft Management market in Saudi Arabia has become more regulated by the local aviation authorities.

Expectations of Saudi Ultra High Net Worth Aircraft Owners

- Saudi Ultra High Net Worth Individuals (UHNWI) expect the highest level of service from a Management company.
- The mind set has changed as well where they used to operate the aircraft for their private usage and cost was never a factor, now-a-days they look at ways of reducing cost by offering the aircraft for commercial charter operation.
- Aircraft Management companies within Saudi Arabia have to be dynamic and flexible to meet their demands and expectations.
- Operators are seeing more aircraft being added under Air Operator Certificates to allow for charter operations.

Change of Aviation Authority Rules and Regulations in Saudi Arabia

- The General Authority of Civil Aviation in Saudi Arabia has announced the implementation of NEW GACA Rules and Regulations.
- The New GACA Rules and Regulations have come into full effect on the 1st January 2019.
- The New GACA Rules and Regulations require all aircraft owners and operators within Saudi Arabia to have their aircraft on a Commercial Part 121SUO Air Operator Certificate or a Private Part 125 Operator Certificate.
- GACA has taken a strong stance against aircraft owners or operators who do not comply with the New Rules and Regulations.

Operating Under GACA Part 125 OC & GACA Part 121SUO AOC

- There are only two choices for Management Companies and Operators in Saudi Arabia in order to allow the aircraft to remain based within the Kingdom.
- The first choice is to add the aircraft onto a Commercial AOC to allow for charter operations.
- The second is to add the aircraft onto a Private OC to allow for private operations.
- Today there are 6 AOC Parts 121SUO certificate holders within the Kingdom and around 4 OC Part 125 certificate holders.

Gray Market Charter and Cabotage Eliminated in Saudi Arabia

- Gray market charter and cabotage flights have been eliminated within Saudi Arabia.
- Gray market was a big issue for AOC holders in the past and now that gray market charter has been reduced almost to nil it has provided a boost for official Part 121SU AOC holder to provide more uplift to clients.
- Cabotage was a big concern in the past for AOC holders and GACA has put a stop to this as well.
- We are seeing more ramp checks within Saudi Arabia from GACA.

Restriction on Foreign Investors has been removed in Saudi Arabia

- Foreign Investors have been given an opportunity to invest in Saudi Arabia.
- The Kingdom has opened its doors to allow companies from abroad to establish themselves within the Kingdom without requiring a local Saudi investor or partner.
- The freedom the Kingdom has offered to these companies will further enhance aircraft management and charter movement within the region.

Government Spending and Investment on Infrastructure in Saudi Arabia

- The Saudi government has introduced Mega projects within the Kingdom.
- Examples include the Red Sea Project, Neom City, and the building of the largest entertainment park in the world south of Riyadh.
- We are seeing a big push from the Saudi Government to invest heavily in new infrastructure in Aviation focusing on enhancing the airports within the Kingdom, FBO's, and overall services it offers in the private aviation industry.
- All of this enhanced push is leading to greater opportunities for Operators and Management companies to grow and expand.

Future Potential of Helicopter Management & Operation in Saudi Arabia

- Helicopter's within Saudi Arabia have primarily belonged to the government sectors within the Kingdom.
- We are seeing a big push from private companies being established to begin Operating and Managing Private Helicopters within the Kingdom.
- The outlook looks promising with the expectations that 200 helicopters will be added into Saudi Arabia over the course of the next 5 years.

The Future is in Aircraft Management in Saudi Arabia

- Aircraft Management is growing and will continue to grow within the Saudi Arabia.
- With the new requirements of GACA we are seeing that aircraft owners are seeking solutions to support with keeping their aircraft based in Saudi Arabia.
- Aircraft Operators within the Kingdom who currently have GACA Part 121SUO or Part 125 Certificates will win their loyalty and business in the future.
- Management companies and operators within Saudi Arabia will expand in numbers in the near future to come.