

# Fractional jet ownership comes to Asia

BY N GUNALAN

**A** Singapore-based executive jet company is bringing fractional jet ownership to this region.

It's a private aviation concept where investors own a jet at a fraction of the cost and enjoy flight hours without worrying about the cost of maintaining the plane.

Executive Jets Asia is selling one-sixth shares at US\$500,000 for a used Cessna Citation jet costing US\$3 million.

Additionally each investor pays a management fee of US\$60,000 from the second year onwards.

For this, the investor gets 70 hours of flight every year for five years available for destinations within a four-hour range – the Citation's range.

This would translate to, for example, 17 Singapore-Bangkok return flights; 35 Singapore-Kuala Lumpur return flights or 24 return flights to Jakarta from Singapore.

If the investor needs the jet beyond the free 70 hours, he's charged US\$1,700 per hour.

The jets can also be chartered – at US\$4,000 an hour – when they are not

used by the part-owners. They'll get 30 percent of the charter revenue.

After five years, the jet is sold and the proceeds returned to the owners in equal shares.

It already has four investors in Singapore – two doctors and two businessmen – and when the final two are found, the plane is purchased and the first flight is ready. The company was formed

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by executive director David Ho (the founder of Windmill Asia) and aviation consultant Prithpal Singh.

In Malaysia, EJA is partnering with Tunku Iskandar, group managing director of the Melewar Group and former president of the Malaysian Association of Tour and Travel Agents. Malaysia already has four co-investors. Thailand and Indonesia are also in the plans.

"Fractional jet ownership is an alien concept in Asia but well entrenched in the US and Europe," Singh told TravelWeekly.

"The whole idea is to save time and have something that is affordable."

Chief operating officer Douglas Robinson, who has extensive experience of operating and managing executive jets in North America, said the beauty of their jets is that they don't need an air operator's certificate, unlike scheduled airlines.

Instead EJA will file flight plans before taking off.

"We will cater to executives and corporates but it can also be used for medical evacuation," he said.

- One-time fee of US\$500,000 for 1/6 share
- US\$60,000 annual management fee from second year (total: US\$240,000)
- 70 hours aircraft usage per year for five years
- All aircraft-related costs taken care of 30 percent of net revenue from chartering to non-owners
- Equal share in proceeds from sale of jet after five years
- Shares can be sold anytime during the five years
- Fly anywhere within four-hour radius of Singapore
- Use as tax deductible expense