In addition to the packed static area, there was plenty to see in the show hall, as organizers opened more of the hangar at Congonhas to accommodate the larger booth spaces exhibitors requested.

LABACE REPORT

Industry makes inroads with Brazil’s government

by AIN Staff

The 10th annual Latin American Business Aviation Conference & Exhibition at Congonhas Airport, in the southern suburbs of São Paulo, Brazil, came to a close August 16, having proved a success for organizer ABAG (Associação Brasileira de Aviação Geral, the General Aviation Association of Brazil) in its efforts to promote business aviation in the halls of government in the vast country. However, most notable to visitors–who tended to turn up en masse after 3 p.m. each day–was the lack of a wider “Latin American” flavor, or even a wider flavor of Brazil as plans for São Paulo business aviation airports took much of the attention. There was almost nothing from operators in the way of aircraft orders, perhaps because they are waiting for the impending infrastructure changes to acquire a satisfactory shape.

The opening general session focused on the local industry’s hope that the government is finally paying attention to the industry’s need for greater (rather than less) access to the nation’s aviation infrastructure. Rapid growth in air transport is causing such pressure on slots and parking that various entrepreneurs have turned to plans for all-new business aviation airports.

ABAG chairman Eduardo Marson was quick to praise civil aviation minister Moreira Franco for standing up for ABAG’s members in the face of recent moves to usurp the long-standing occupancy of key airport locations by charter operators, maintenance providers and other general aviation users–and even non-aviation interests such as supermarket chains.

“He received us in his office with his team and accepted a joint statement signed by ABAG and air-taxi syndicate SNETA,” said Marson. The statement suggested that the use of airport space be [guaranteed for business aviation users] for a 25-year period, renewable for 10 years if investment were required by the user, and 10-plus-10 years if not, with preference given to the current occupant. “To our great happiness, the next day, Infraero’s plan to put the spaces out to public bid was suspended.”

While the association welcomed news of the government’s apparent support of the privatization of airports and the development of new business aviation airports, Marson warned that the sector is still being squeezed by airline activity.

The recent Confederations Cup, a prelude to the World Cup scheduled for next year in Brazil, is an example. The government’s answer to the increased requirements of commercial aviation during cup play was simply to exclude general aviation from São Paulo’s international airports. Guarulhos, the main airport, is situated well out of the main city to the northeast, but Congonhas is situated far more favorably for the popular hotels and is just south of the city’s financial district; Campo de Marte is the most popular for helicopters as it is even closer to the financial district, on its north side. New airports being proposed include Rodoanel (awaiting final approval) farther out to the southwest; and Catarina, approval for which was announced during the show. However, this airport will be some 30 miles to the east of São Paulo, at São Roque. The final airport being discussed is São Jose Dos Campos, although reportedly Embraer, which is based there, is not keen for it to become an overly busy airfield–although its location between São Paulo and Rio de Janeiro is an advantage.

Despite the promise of new dedicated airports, business aviation must nevertheless be assured of continued access to the country’s main airports, Marson insisted at the opening event.

Air Force Commandant Brigadier Juniti Saito emphasized the need for general and business aviation in Brazil, pointing out in his remarks at the general session that of the country’s more than 700 airports, only 150 are served by commercial flights.

ABAG chairman Eduardo Marson highlighted the need for GA to have access to major airports.

There was good news from Latin America’s financial sector, with word that the squeeze on aircraft financing is beginning to relax. In 2008 it was virtually impossible to get financing for aircraft acquisition other than through captive finance companies, but that is no longer the case, said Juan Escalante, v-p of Latin America for AirFinance. He pointed out that it was local banks that led the way, as they were cash-rich and able to deal in local currencies, and international banks have now cautiously begun to re-enter the market.

Bad Weather Fails To Dampen Enthusiasm

Intermittent rain and cold temperatures on the first two days apparently did little to dampen the enthusiasm of exhibitors or attendees at LABACE 2013, as the event drew 13,823 attendees, only about a 1,000 fewer than expected.

“Those serious customers who planned to attend did attend, despite the rain,” said Rogério Andrade, president of Brazilian fractional provider Avantto. Exhibitors in the main hall and at the chalets welcomed anyone dodging the rain, serious customer or not.

“They’re all customers,” said Caitlin O’Keefe, marketing manager of Raisbeck Engineering. “It’s just that you haven’t met them yet. And if you met them while they were dodging the rain, maybe the rain wasn’t such a bad thing.”

Dave Marone, v-p of sales and marketing for BLR Performance Innovation, described the show as a “fantastic business-to-business opportunity,” adding that the event is attracting more and more executive leaders as it gains industry respect.

For some years there was a growing perception that LABACE was becoming essentially a Brazilian event, and it seems this has become the case. Dassault Falcon president and CEO John Rosanvallon pointed out that the venue, in the city of São Paulo, near the south/central Brazilian coast, is a little far for those in many other Latin American countries.

MD Helicopters and Helibras were among the companies to log orders during the show.

One attendee, asked where he was from, shouted back as he dived through the rain into a waiting taxi, “Galapagos.” Apparently, São Paulo is not that far away. The Galapagos Islands are about a seven-hour flight of some 5,278 kilometers (3,280 miles) to São Paulo.

Those who worry that LABACE is becoming less representative of all Latin America might take note of the fact that Brazil by itself is now home to approximately 840 business jets, making it the third largest fleet in the world.

Business aviation in Brazil is steadily growing, according to Dassault Falcon senior v-p of international sales Jean Michel Jacob. He offered as evidence deliveries of seven used Falcons in Brazil last year and six new Falcons so far this year. “In Brazil, as it is in France and a few other countries, aviation is part of the national culture.”

Initial Reports Highlight Brisk Business

Lider Aviação made the first of the few deliveries completed at LABACE–a Beechcraft Bonanza G36 for businessman Flávio Gonçalves. “I always wanted to fly a Bonanza,” said Gonçalves, adding that he intends to use it for business and pleasure.

Brazilian helicopter heavy-hitter Helibras announced the sale of four Eurocopter EC130T2s, and Helibras president Eduardo Marson said one of them will immediately embark on a demonstration tour of four cities in helicopter-hungry Brazil, including Rio de Janeiro.

Avantto’s Andrade said his fractional program bought a Phenom 100 from the customer for whom Avantto managed the airplane, then sold him a fractional share in the same airplane.

Philip Marsteller, director of sales and marketing for MD Helicopters, said the company has renewed its focus on the region and intends to sell 12 MD Explorers a year in Brazil by the end of 2015. The company made a pretty good start this year by selling an MD520N and an MD Explorer at LABACE. And as the show approached its end, he added that MD was close to sealing a deal for an MD600N and another Explorer.

Columbia Trade Sales and Power Helicopters celebrated delivery of a Robinson R66 for the use of Brazilian football star Neymar da Silva Santos (who a few days later made his debut with Barcelona). “This is a business machine to let him meet all his commitments,” said Altamiro Bezzera Jr. of the Projeto Instituto Neymar.

Also at LABACE, Helicidade Heliport announced it has received approval from the Department of Civil Aviation for its facilities in the São Paulo suburb of Jaguaré.

Global Aviation, which manages 90 aircraft, 28 of which are offered for charter, reported a successful bid in a process that, had it gone the other way, would have deprived the company of its hangars, including valuable space at Rio de Janeiro Santo Dumont Airport.

“Our hangars went out to bid, and we won the bid, but the cost of the hangars went way up,” said sales manager Juliana Schaper Correa. The bids won are for five years, and include Global’s coveted Santos Dumont space. In light of the upcoming World Cup next year and the Summer Olympics in 2016, space at airports in the region of São Paulo and Rio de Janeiro will be in high demand, especially at Santos Dumont,” he said.

Also at LABACE, Correa unveiled plans for a fifth FBO, in Sorocaba or Salvador. The latter site is the capital of Bahia in northeast Brazil, where economic growth has outpaced that in other regions of the country. Global currently operates FBOs in Brasilia, Belo Horizonte, Rio de Janeiro and São Paulo.

Global has also begun operating a fractional ownership program, offering shares in five aircraft, from a Eurocopter AS350 to a Citation Sovereign. The company said it offers five shares in each aircraft, with each share assuring the shareholder of 15 flight hours a month.

AgustaWestland unveiled plans at LABACE to expand the facilities of its São Paulo subsidiary to accommodate a training center, bonded warehouse, workshop space and heliport. The move comes four months after the end of negotiations with Brazilian OEM Embraer to enter a joint venture for the production of AgustaWestland helicopters in Brazil.

While the major aircraft manufacturers at LABACE were silent regarding orders or deliveries, most seemed enthusiastic about the quality of the event.

Roger Sperry, Gulfstream senior v-p of international sales, described it as “a fantastic show.” He also noted that on the evening of the second day, while the show officially closed at 8 p.m., there was still a crowd at the Gulfstream static display for some time after.

Apparently some of those who left Gulfstream stopped at the Helibras chalet on their way out. According to Marson, the party there was still going strong at 10 p.m. “This is typical of Brazil,” he explained, adding with a chuckle, “It’s a cultural thing.”

With ABAG leading the way, LABACE 2014 is already being planned. But the organization was feeling the pinch of the lack of space at the Congonhas Airport this year. According to Marson, LABACE actually had fewer exhibitors this year than last, despite expanding deeper into the old VASP hangar to accommodate exhibitor requests for larger exhibit space. There is little doubt the event needs a new venue, so it can breathe. Ultimately, it is likely to be used to showcase one of the new business aviation airports such as Catalina.

In the meantime, LABACE 2014 is scheduled to return to Congonhas Airport from August 12 to 14. ❑

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