EJA’s gamble on Senai set to pay off

Plans are under way to build a second hangar on the company’s 1.8ha site

By VEN SREENIVASAN

(SINGAPORE) It was a risky move, even a gamble. After all, why leave the established Seletar Aerospace Park in Singapore to reside operations across the Johor Strait?

But Executive Jets Asia (EJA), a start-up co-owned by aviation specialist Prithpal Singh and businessman David Ho, took that plunge in early 2011.

“We could not get suitable land at a financially viable cost to build our own hangar at Seletar,” Mr Singh recalled. “Meanwhile, Senai Airport had just set up its Senai Aviation Park in 2011, catering to business aviation. As we were the first to approach them, they offered us very favourable terms for airside apron/runway facing prime land at the airport to build our facility. While there was only rentable land in Seletar, Senai offered to sell us land.”

Today, EJA owns 1.82 hectares of prime runway fronting land on a 45-year lease. It recently opened its 110,000 square foot/office/hangar complex on a 1.01-hectare plot, which can take in two Airbus 320 aircraft and a number of smaller business jets at the same time.

In all, the company has invested some RM33 million ($13.3 million) to date in land, facilities and equipment.

Mr Singh said the new facility allows EJA to go into the maintenance, repair and operations (MRO) business, third-party aircraft hangarage, fixed base operations (FBO) services, aircraft management and other aviation services.

When The Business Times made a visit, there were several private jets parked in its hangar.

“We have locked in our costs for the next 45 years. And our billings are in US dollars, but our costs are in ringgit. It’s a great investment for us as we believe that the demand for prime hangars and aviation services such as ours will continue to grow strongly.”

Besides executive jet charters, the company operates Flying Doctors Asia, a medical evacuation (medevac) business.

While EJA’s overall business has grown some 20 per cent annually since 2011, the medevac unit has seen much stronger take-off.

“On average we handle about 40 medevacs a month, and it now accounts for almost 90 per cent of our income,” Mr Singh said. “Demand comes from everywhere around the Asia-Pacific, though the majority is from Indonesia.”

Besides a medevac dedicated Westwind Gulfstream, EJA operates three dry-leased Hawker 700 jets capable of both medevac and charter flights. They operate using Thai and Philippine air operators certificates (AOC).

Mr Singh expects EJA to get its Malaysian AOC next month, following which it will take more leased jets from local owners.

Since setting up base at the privately owned airport, EJA has taken on a Malaysian partner, in keeping with local requirements. Staff and technicians are sourced from aviation and technical colleges in Malaysia, while the company’s pilots and crew are housed in bungalows near the airport.

Plans are under way to build a second hangar on its remaining 0.81-hectare plot, facilities which EJA believes will enable it to scale up and offer MRO services, hangarage for third-party business jets and aircraft management business.

“All this in addition to growing our own air charter business,” Mr Singh said, adding that Senai’s proximity to Singapore gives EJA’s operations an advantage. “We are only one hour by road from the Senai Airport to the Singapore CBD.”

Flight plan: Executive Jets Asia’s hangar complex in Senai can take in two Airbus 330 aircraft and a number of business jets. Mr Singh (above) said that while there was only rentable land in Seletar, Senai offered to sell us land.”