

AVIATION

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PIONEER SPIRIT

Kuwaiti firm National Aviation Services is quickly becoming regarded as one of the success stories of the GCC aviation industry

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National Aviation Services has come a long way since been founded in 2003 as primarily a ground handling services firm. Today, it is one of the fastest growing aviation service providers in emerging markets, and is quickly becoming regarded as one of the success stories of the GCC Aviation industry. The Kuwaiti firm's CEO Hassan El-Houry speaks to us about its strategy, the factors contributing to its success, and shares some of the company's future plans

By: Ahmad Lala



EMERGING PIONEERS



The winds of change and innovation that has blown over the GCC aviation industry in the past couple of decades seemed to have lost momentum when it reached Kuwait. The country's national carrier, Kuwait Airways, only received its first new airline in 17 years in February, while reports suggest that plans to build a new airport terminal in the state are set to be delayed after all tender bids were rejected for being priced too high. But, there is one company in the country's aviation industry that has bucked the trend and is quickly becoming regarded as one of the success stories of the GCC. That firm is National Aviation Services (NAS).

NAS has come a long way since been founded in 2003 as primarily a ground handling services firm. Today, it is one of the fastest growing aviation service providers in emerging markets. The company operates in the Middle East, Africa, and Asian Sub-continent, with a portfolio that varies from ground handling operations at three airports in Afghanistan to running a VIP terminal at Abu Dhabi International.

The transformation of the firm from solely a Kuwaiti operator into a broader Middle East, Africa and Asian player came in 2007. NAS acquired a majority stake in Nova, an Indian ground handling company with a presence in several of the country's airports. Although NAS reduced the number of airports



▲ NAS CEO Hassan EL-Houry says the firm has captured a 65% market share in Kuwait.

it operated in India, it was a stepping stone for the firm to be awarded a ground handling concession at Mumbai International Airport in a partnership with Turkish firm Celebi Hava Servisi. Today, NAS has grown into the largest service providers at Mumbai International.

"Our acquisition of the Indian ground handling company was the turning point from a Kuwaiti company to a broader regional player. Although we already had our operation in Aqaba, Jordan, it was always treated as a satellite of Kuwait," says Hassan El-Houry, CEO of National Aviation Services.

"India, however, was a separate operation, with its own board of directors, a local partner, and so on. We needed to develop network relationships with our customers. Our managers at head office started to build global skills. For example, our quality, safety, and training functions started to serve our Indian subsidiary. It was very challenging at first, and we made many mistakes, but the lessons we learned as an organisation were critical for our future successes."

CEO El-Houry was appointed in 2009 and has been at the forefront of much of those successes. His achievements were recognised by the World Economic Forum who selected him as one of its Young Global Leaders in 2014. And, like any outstanding leader, when asked to what he would attribute the success of the firm, he immediately points to his team.

"A little known fact is that of the 30 most senior people in our organisation, we have had a turnover of less than five people in the past five years. This is a reflection of our diverse team's loyalty, commitment to achieving our vision, and cohesiveness of our executive members. We know one another very well and work



▲ The firm is one of the fastest growing air services providers in the emerging markets.

very well together,” says El-Houry.

“We were the fourth ISAGO certified company in the world which is a reflection of our commitment to quality and safety. This culture, coupled with teamwork and individual accountability and ownership, resonates throughout the organisation.

“And we are a privately owned company that is not encumbered by government decision-making, nor are we affiliated with any airline,” he adds.

Under El-Houry, NAS has focused on growth in emerging markets. A strategy that seems to be working well for the firm, with the award of a ground handling concession at Ivory Coast’s Abidjan International Airport and launch of its operations in Afghanistan’s Kabul, Kandahar, and Herat Airports in 2014.

“One hundred years ago, the world’s first paying passenger took to the skies in 1914. Today, the sector employs 57



▲ The firm’s portfolio of services include passenger and ramp services, cargo and warehousing services, lounge and terminal management, meet and assist, aviation training, and security.

AFGHANISTAN

El-Houry on Afghanistan ops

Afghanistan is a mountainous and land-locked country where overland transport is hampered by poor infrastructure, yet has a population of more than 30 million people. We firmly believe that efficient, safe, secure, and cost-effective air transport is vital to connect the country’s economy with world markets. We launched services at Kabul International Airport in January of 2014, and a few months later we started Kandahar and Herat. Through our joint venture with the national carrier, Ariana Afghan Airlines, we handle all commercial traffic at these three airports. We have already invested significantly in new equipment and training, and we will continue to do so. Our goal is to obtain ISAGO certification for Kabul Airport within the coming year. It is an aggressive target, but we believe we have the right team and leadership to accomplish this.

“Emerging markets have allowed private handlers to enter the market. This means better pricing, better quality, commercially driven entities at the airport, which means volumes are being pushed”

million people directly and indirectly, and moves US\$2.4 trillion into the world economy. Emerging markets continue to dominate air travel growth. Today, aviation is so integral to jobs, to commerce and to international trade that it has become a necessity. Flying has become so easily accessible that people chose to fly on demand. Emerging markets have allowed private handlers to enter the market. This means better pricing, better quality, commercially driven entities at the airport, which means volumes are being pushed,” says El-Houry.

And while emerging markets bring their own set of challenges, El-Houry says that the firm fully understands the opportunities and challenges of operating in these areas.

“We foster capacity building initiatives to help empower all employees through programmes that target development of specific professional skills and business practices. There are definitely some challenges, and the challenges are tremendous, but not insurmountable. But there are limiting factors—many of which fall within the remit of governments. Some challenges

FAST FACT

2003

National Aviation Services was founded in Kuwait in 2003

PROFILE

El-Houry on NAS

Since 2003, we have captured a 65% market share in Kuwait, and grown our portfolio of services to include passenger and ramp services, cargo and warehousing services, lounge and terminal management, meet and assist, aviation training and security. We are proud to handle 5 of the world's 10 best airlines, and our clients include Emirates, Etihad, Qatar, British Airways, Delta, United, Turkish, Jazeera, Egypt Air, Jet Airways, Singapore Airlines, Air Arabia, flydubai, Royal Jordanian, Ethiopian, KLM, Lufthansa, and many others. Finally, our geographic presence spans 15 airports in 10 countries across the Middle East, Africa, and Asian sub-continent.

are tax regimes and regulations that affect growth. Another challenge is infrastructure development. However, there has definitely been a positive impact that aviation has delivered and the full potential of this industry has yet to be achieved," he says.

To overcome many of these challenges, NAS commits time, accumulated experience, and resources to a country's

“Our vision is clearly stated to become the service provider of choice to the aviation sector in emerging markets”

aviation vision, reveals El-Houry.

“In the countries where we operate, airports are usually old, out-dated, and built for a capacity that is far less than the current volume of passengers and cargo. This puts us under tremendous pressure to provide a safe, secure and reliable service to our customers given very challenging infrastructure constraints,” he says.

“In response, NAS has done two things. First, we have offered the airports where we operate that we would be willing to invest in airport infrastructure projects like cargo warehouses, passenger terminals, lounges, FBO's, and so on.

“Secondly, we have expanded our service portfolio to include terminal management because we believe the private sector can manage infrastructure more efficiently and airport IT solutions to leverage technology to address air-

ports' most pressing challenges.”

It's not only in the emerging markets that NAS has shone though. The firm was awarded a ground-handling contract at the UAE's Ras Al Khaimah airport; it took over management of the Sheikh Saad Terminal at Kuwait Airport; and it also operates the Golden Class Meet and Assist services at Abu Dhabi International Airport, as well as the VIP Terminal.

However, El-Houry believes that NAS's future success lies in the emerging markets.

“Our vision is clearly stated to become the service provider of choice to the aviation sector in emerging markets. We will continue in that direction. We would like to target one large airport concession every year, and two smaller concessions at the very least. Last year, we were awarded an exclusive 15 year concession at Abidjan International Airport which we are very proud of. We hope to launch operations formally in June of 2015. In the second half of 2015, we are looking at another major concession as well,” he says.

“We also hope to grow our portfolio of services. Aviation is a vast sector with everything from airports and terminal management, to ground handling, fueling, catering, airport technologies, duty free, and so on,” concludes El-Houry. **AVB**



▲ NAS operates the Golden Class Meet and Assist services at Abu Dhabi International Airport, as well as the VIP Terminal. (Images for illustrative purposes only)