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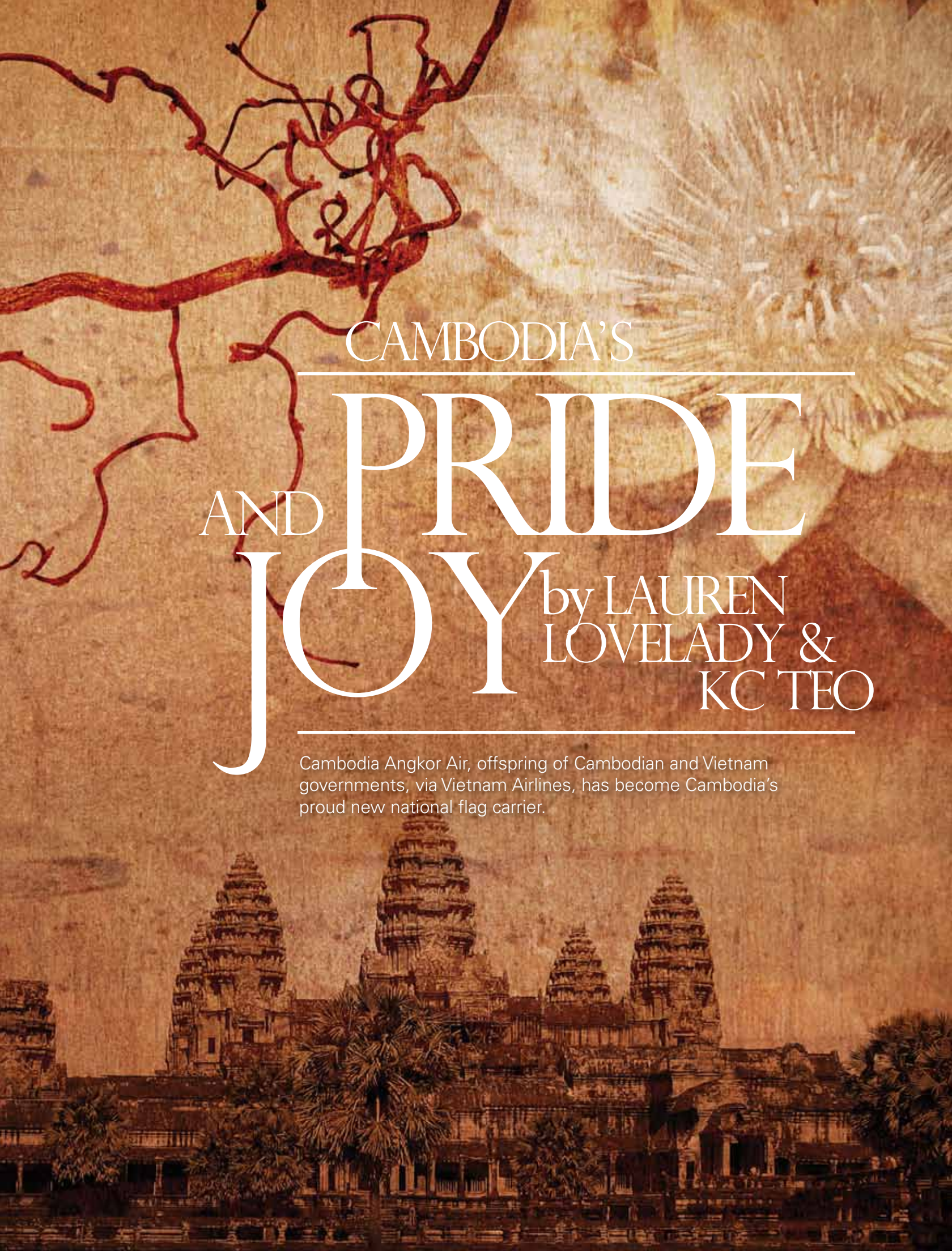
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CAMBODIA'S

AND PRIDE

JOY by LAUREN
LOVELADY &
KC TEO

Cambodia Angkor Air, offspring of Cambodian and Vietnam governments, via Vietnam Airlines, has become Cambodia's proud new national flag carrier.

The story of Cambodia Angkor Air, the new national airline of the Kingdom of Cambodia, is an evolutionary one that continues to be written. In existence for a little more than a year, the airline is making steady and carefully measured strides to reach its goal of becoming a full-service carrier with domestic and international service within the Association of Southeast Asian Nations (ASEAN) and beyond.

Perhaps even more importantly, the story of Cambodia Angkor Air is also one of unprecedented cooperation between two neighboring, yet traditionally rival, countries. After a succession of airline failures, the last of which ceased operations in 2001 under the burden of mounting debt, the Cambodian government officially requested assistance from the Vietnamese government to establish a new national carrier. The Cambodian government and Vietnam's national carrier, Vietnam Airlines, initially met at the end of first quarter 2009 to discuss a possible partnership and investment opportunity. Within 100 days, a joint-venture agreement was signed by the two parties. The following day,

July 27, 2009, Cambodia Angkor Air launched its inaugural flight from Ho Chi Minh City to Phnom Penh.

At the signing ceremony, Vietnam Deputy Prime Minister Truong Vinh Trong said the airline was not only a rare joint investment, but also a way to "improve the two Asian neighbors' bilateral relations." Under the US\$100 million, three-aircraft venture, the Cambodian government holds 51 percent of the national carrier, and Vietnam Airlines retains 49 percent.

The idea to launch a Cambodian national carrier with assistance from Vietnam Airlines was conceived by Cambodian Prime Minister Hun Sen, who recognized Cambodia's rapid economic development — an 8 percent annual growth in the gross domestic product from 2006-2009, increased foreign investments and a stabilizing political climate — would further benefit from a vibrant airline industry, as would its thriving tourism industry. Prime Minister Hun Sen tracked the growth of Vietnam Airlines and after a review of potential opportunities in Cambodia's market, approached the Vietnamese government.

"Those were interesting times," said Trinh Ngoc Thanh, chief executive officer of

Cambodian Angkor Air. "We had tremendous pressure to start the operation as soon as possible, but we also had to make sure we ran a professional operation."

The close cooperation between Vietnam and Cambodia is largely responsible for the continued success of the joint venture. As the national carrier of Cambodia, the airline is supported by its government, with essential business acumen provided by Vietnam Airlines, especially in the early stages. Cambodia Angkor Air receives comprehensive technical support from Vietnam Airlines, including crew training, aircraft maintenance and flight operations, ensuring its fleet of leased ATR 72-500 turboprop planes and Airbus A321 jets is maintained at the highest level of safety and reliability.

Currently, the Cambodian carrier offers domestic and international flights between its hub in Phnom Penh and Siem Reap and Ho Chi Minh City, with plans to expand to additional destinations in the near future utilizing the six Airbus A321 jets it now has on order. By 2015, Cambodia Angkor Air plans to have a fleet of 16 Airbus A321s. All of the airline's current 110 weekly flights



Photo: Cambodia Angkor Air

As part of its long-term expansion plans, Cambodia Angkor Air has ordered six Airbus A321 aircraft, and by 2015, it intends to increase its fleet of A321s by 10. Currently, the carrier operates two ATR 75-500 turbo props and a single Airbus A321.



Photo: Boeing

Vietnam's flag carrier, Vietnam Airlines, in a joint venture with Cambodia's government, owns 49 percent of year-old Cambodia Angkor Air and has provided comprehensive technical support to the start-up airline, including crew training, aircraft maintenance and flight operations.

operate under a codeshare agreement with Vietnam Airlines.

Establishing the new Cambodian national airline has not been without its challenges. Because of limited airline knowledge within the Cambodian population, which numbers 14.5 million people, most of the airline's first employees were actually "on loan" from Vietnam Airlines. Training local employees required sending them to Vietnam Airlines to learn and master the appropriate skills on a tight timeline.

Despite the challenges, Cambodian Angkor Air continues to make steady progress toward establishing itself as a successful, independent national carrier. Initially, the carrier's in-flight services were provided by cabin crews from Vietnam Airlines. After completing training in Vietnam, local Cambodian employees began staffing flights a few months ago, marking a significant milestone for the national carrier.

In addition, Cambodian Angkor Air recently began using *SabreSonic® Customer Sales & Service* in support of its strategy to increase productivity using the best resources available while keeping costs to a minimum. By partnering with *Sabre Airline Solutions®*, the carrier has access to a comprehensive range of technology

that can effectively support it from the initial stages through various levels of expansion.

"Cambodia Angkor Air is anxious to become a full-service carrier and expand its international services as soon as possible," said Trinh. "Judging from Vietnam Airlines' positive experience implementing *Sabre Airline Solutions* technology, we are confident *SabreSonic CSS* will similarly drive our plans forward quickly and successfully."

The advanced technology platform supporting *SabreSonic CSS* will enable the airline to cultivate interline and codeshare opportunities with other airlines, critical to its expansion plans. The sophisticated reservations system will also enhance Cambodia Angkor Air's revenue through merchandising. With *SabreSonic® Web*, an Internet booking engine, the airline can capitalize on the solution's new shopping services and capabilities to maximize the online channel.

Later this year, Cambodian Angkor Air plans to implement a crew management system from *Sabre Airline Solutions* as well.

"The proven solutions will play a large part in enhancing the operational capability of Cambodia Angkor Air," said Trinh. "Our cooperation with *Sabre Airline Solutions* will

be further enhanced when we implement another of its solutions, this time to ensure optimum crew management by the end of the year.

"We are determined to bring the best of aviation practices to our customers," he said. "Every technology that we implement has the end goal of enhancing our customers' experience."

Cambodian Angkor Air's goal is to be a "flying ambassador" for the Kingdom of Cambodia. With more than 20 foreign airlines now offering direct flights into the country, Cambodia Angkor Air certainly has competitors, but with the ongoing support of its neighboring country, it's the only airline that can proudly call itself the national flag carrier of the Kingdom of Cambodia. [F](#)