

A MAGAZINE FOR AIRLINE EXECUTIVES

OCTOBER 2003

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A conversation with ...

**David
Siegel,
CEO,
US Airways**

INSIDE

Traditional carriers launch
low-fare subsidiaries

How airlines weathered
"the perfect storm"

Cathay Pacific Airways'
crisis management process

From the Ground Up

Bangkok Airways' unique business model, combining airline and airport ownership, delivers growth for itself and its home regions.

■ By Hans Belle | *Ascend* Contributor

Back in the 1980s, Bangkok Airways identified an untapped opportunity to bring visitors to the beautiful, though still largely undiscovered, Thai island of Ko Samui. But there was one small problem.

The island, located off the south-eastern coast of the country in the Gulf of Thailand, lacked an adequate commercial airport.

Rather than wait for local officials to remedy the situation, Bangkok Airways took a radical approach — it built the airport itself. Instead of waiting for the opportunity to open a new market and help build the area into a popular tourist destination, the airline in 1989 opened its 800 million baht (US\$19 million) airport on the northern end of the island.

That was the first of three airports the airline, which serves 13 destinations in five countries with its fleet of 13 Boeing 717 and ATR72-200 aircraft, built to expand its operations to underserved areas throughout the country. The Samui airport venture proved so successful, the airline opened its second airport, at Sukhothai in central Thailand, in 1996, and a third, Trat in eastern Thailand, in March. The airline has since added new customs, immigration and passenger terminal facilities at Samui and Sukhothai to gain customs status, opening the doors to direct international flights.

Bangkok Airways, which traces its roots back to 1968 when it began as an air taxi service called Sahakol Air,

Photos courtesy of Bangkok Airways



By building airports in unserved areas, such as Samui, above, and Sukhothai, right, Bangkok Airways has been able to grow as well as provide an economic engine for the regions it serves.

attempts to serve cities with rich cultures and historically significant sites that are not easily accessible to the everyday traveler. Building the three airports reinforces the airline's commitment to not only build the local tourism industry but also promote local heritage, said Dr. Prasert Prasarttong-Osoth, president and chief executive of Bangkok Airways.

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success,” said Prasartong-Osoth, the driving force behind the decision to build the airports.

By several standards, the airports have proven successful. Bangkok Airways now operates 40 flights a day from Samui to five destinations. The nearly 200-acre (.8 square kilometer) airport has also substantially cut travel time to the island. Before it was built, travelers from Bangkok spent 14 hours traveling by rail, bus and ferry to reach Ko Samui. The airport, with its low-rise palm-thatched roofs and tropical

gardens, has also been honored for its architectural design and environmental awareness.

At the Sukothai airport, Bangkok Airways is already expanding the length of the runway, from 2,100 meters to 2,400 meters, to better accommodate its fleet of 717 jets. Since gaining customs status, the 800-acre (3.2 square kilometer) airport has become Bangkok Airways’ northern hub, providing easy access to the northern Thai capital of Chiang Mai as well as Luang Prabang, Laos; Pagan, Myanmar; Siem Reap, Cambodia; and Kunming, China. The airport, built for 500 million baht (US\$12 million), incorporates the latest air traffic control, weather monitoring and safety technology. And it, too, has an award-winning design, featuring traditional Thai architecture. Its soaring roofs and tropical gardens earned the airport the nation’s “Outstanding Architect Award.”

The airline, which is hosted in the Sabre® Passenger Reservation System, also just opened a 435-acre (1.74 square

kilometer), 700 million baht (US\$17 million) airport in Trat, the easternmost province of Thailand between the Cambodian border and the Gulf of Thailand. The airport is conveniently located near the tropical island of Koh Chang, previously reachable from Bangkok only after a five-hour drive and a ferry trip to the island. With the airport, the journey from Bangkok has been cut to 45 minutes. As with its other two airports, Bangkok Airways constructed the Trat airport to reflect the local people, their culture and the environment.

Bangkok Airways’ unique combination of airline and airport ownership has not only distinguished itself from other airlines, but has also helped the regions where its airports are located improve business links and boost tourism, providing an economic stimulus to these areas. 

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