


## AIRBORNE

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## Ukraine - the widening impact on business aviation

An estimated 470 business aircraft have “significant connections” to Russia and Belarus and are now subject to sanctions and operating restrictions following Russia’s invasion of Ukraine. The threat of seizure of aircraft and the closure of airspace is likely to have a significant deadening impact on the bizav sector, which was riding high as the world emerged from the Covid pandemic, said Managing Director of WingX Advance Richard Koe during a presentation to the British Business & General Aviation Association (BBGA) conference in early March.

Just 25% of the aircraft with Russian links are actually registered in Russia, with the majority registered in third-country jurisdictions including Aruba, Austria, Bermuda, the Cayman Islands, the Isle of Man, Luxemburg, Malta and San Marino. As a result, many of these aircraft are now subject to international sanctions, which can include summary deregistration and removal of approvals. As a practical example of implementation, in mid-March the Bermuda CAA suspended the airworthiness certificates of all aircraft operating under the 83bis agreement covering aircraft operating in Russia and registered in Bermuda. Nearly 900 aircraft – the majority commercial airliners – are covered by this announcement and the Russian authorities have started re-registering them domestically.

The effective ‘nationalisation’ of leased aircraft operated in Russia will have a huge impact on lessors and insurers. The EU ordered lessors to end their contracts with Russian operators by 28 March. Aircraft that could not be repossessed by this date were effectively out of the reach of their owners, with all the attendant issues of trying to recover assets without the assistance of Russian law firms and financial institutions that have been barred from international clearing systems. It is estimated that insurers may face potential claims of up to USD10 billion due to the inability to repossess aircraft in Russia.

## The Isle of Man de-registers aircraft linked to Russia

The Isle of Man, a British Crown Dependency, acted quickly to remove any aircraft with Russian links on the Isle of Man Aircraft Registry (IOMAR). The island’s actions have been followed by many other jurisdictions, including Aruba and Bermuda, and can serve as a case study in taking swift action against Russian individuals and entities as part of wider economic sanctions. Isle of Man Enterprise Minister Alex Allinson said: “The air and ship registries have been acting proactively and rapidly to halt business with Russian connections above and beyond those already sanctioned on the UK’s lists.” On 25 March, the island introduced a legal instrument prohibiting any aircraft registered in the Isle of Man from entering or flying within Russia or Belarus.

On 16 March, the Isle of Man authorities published a list of 18 aircraft and helicopters of various sizes that have been removed from IOMAR: M-ABEC Legacy 600; M-AKER Legacy 650; M-ALEY Challenger 605; M-DLBA EC155; M-DLBR EC175; M-FLIG Global 5000; M-HAWK Global 6000; M-HELI EC155; M-AIBU A340-300; M-INSK G650; M-LUNA MBB117; M-LVIA AS365; M-MAVP Global 6000; M-RONE Falcon 2000; M-SOLA MBB117; M-SOLO MBB117; M-TINK Falcon 7X; and M-YSSF Global 6000. It is possible that further aircraft will be deregistered as investigations continue.

## Ukraine consequences for bizav traffic

Repercussions from the Ukraine crisis have started to affect business jet demand outside the immediate conflict zone, with the first few days of April seeing the first lull in growth in business jet activity in Europe since Covid restrictions started lifting in the middle of last year. According to specialist analyst WingX Advance, there were 45,000 bizjet sectors originating in Europe in March, 42% more than in March last year and 13% more than the same month three years ago. But, in the opening four days of April, demand slowed, and sectors were down 4% compared to the same period three years ago. The UK was the busiest market, with sectors up by 21% compared to the same four days in 2019, while Germany was down 27%.

Business jet sectors originating in Russia, Belarus and Ukraine fell by 65% in March compared to March 2021. Scheduled commercial airline activity was down by 24%, while dedicated cargo operator flights collapsed by 93%. Russian business jet sectors flown in March were down 57% on last year and 45% 2019. The biggest declines were in international sectors, which were 70% lower than March 2019. The most resilient international connection from Russia was to the United Arab Emirates, with 105 outbound flights in March. WingX Managing Director Richard Koe said: “Repercussions from the Ukraine crisis have started to affect business jet demand outside the immediate conflict zone, with the first few days of April seeing the first lull in growth in business jet activity in Europe since Covid restrictions started lifting in the middle of last year ... The US market is yet to see any slowdown.”

## AVIATION SERVICES HUB:

Aviation finance

The new and used corporate aircraft market continues to function, despite the twin shocks to the global economy from the pandemic and the invasion of Ukraine. Buyers continue to seek finance for these transactions, with growing demand in some sectors, business models and geographical areas. RANA has built up relationships with a number of banks, finance houses, leasing companies and groups of individual investors that have demonstrated an appetite for investment in the corporate aviation sector.

Lenders will of course look at a number of different factors and each has its own criteria for acceptance, in addition to loan-to-value ratios and the length of term of any potential deal. These criteria may include: the maximum age of the aircraft; whether it is new or pre-owned; the book value of the aircraft; the jurisdiction of the aircraft’s registration; or the type and nationality of the client. Any such financing is of course viewed on a strictly case-by-case basis with tailored terms and conditions.

## Vista Global expands in the US

Vista Global Holding, the Dubai-based owner of VistaJet and XOJET, has agreed to purchase US charter carrier Jet Edge, the eighth largest operator in North America based on fractional and charter flight hours. Vista Global founder and CEO Thomas Flohr said the purchase would satisfy rapidly increasing demand from US customers for Vista's hours programmes. "Bringing Jet Edge into the group scales up our presence in North America, giving Vista the opportunity to turbocharge growth in the most dynamic business aviation market," he commented. The acquisition adds a further 100 Gulfstream and Challenger aircraft, around 60% of which are under management for owners, bringing Vista Global's total fleet size to some 340 aircraft.

## Uncertainty continues for Jersey Aircraft Registry

A recent article in The Bailiwick Express in the Channel Island of Jersey sought to clarify the status of what it described as the island's "ill-fated Aircraft Registry". The newspaper charted the progress of the Jersey Aircraft Register (JAR) from initial establishment in 2015, its relaunch with a private provider in 2019, and its return to government control in 2021 after significant financial losses. The JAR was marketed as "the world's first digital registry", using blockchain technology to simplify the registration process. Jersey's government recently commissioned a feasibility study from economics and financial consultancy Oxera but has so far refused to make the findings public. Assistant Minister for Economic Development Deputy Kirsten Morel said: "I believe this information could place the island at a competitive disadvantage, precisely at a time when work is being undertaken to make the JAR commercially sustainable and successful." The JAR currently lists just three fixed wing and one rotary craft.

## Bombardier rolls out its final Learjet

Manufacture of the iconic Learjet ceased on 28 March bringing some 60 years of production to a close. The final example, a Learjet 75, was rolled out for Bombardier's Wichita facility for delivery to Northern Jet Management in Grand Rapids, Michigan. The OEM signalled the end to the programme in February last year, citing a "challenging market dynamic" and competing light jet models. Developed by innovator Bill Lear, the prototype Learjet – a series 23 – made its maiden flight on 7 October 1963. The first production model was delivered a year later. Since then, Learjet produced more than 3,000 aircraft, of which more than 2,000 remain in service. Bombardier acquired the marque in 1990.

## Corporate aircraft news

After unveiling the Cessna Citation M2 Gen 2 light twinjet at the NBAA-BACE in 2021, Textron Aviation announced that its updated version had received FAA certification and that it had made the first delivery of the Gen 2 on 3 April. The upgraded version features four cabin interiors, more durable flooring, along with wireless charging and USB ports at each seat.

French OEM Daher has replaced its TBM 940 turboprop single with the new generation TBM 960. The manufacturer displayed the first production example at the Sun 'n Fun Aerospace Expo in Lakeland, Florida. The new version offers a more efficient P&WC PT6E-66XT engine, a five-bladed composite propeller and a digital e-throttle. Deliveries of the new aircraft are slated for July after EASA and FAA certification.

Bombardier marked the delivery of the 100th example of its flagship Global 7500 large cabin twin with a ceremony at its completion centre in Montreal on 29 March. The centurion aircraft was the tenth for programme specialist VistaJet and was appropriately registered in Malta as 9H-VISTA. The 7500 made its first flight on 4 November 2016 and received Transport Canada approval on 28 September 2018.

Despite speculation that it may soon introduce a replacement (dubbed the G300) to its super mid-size G280 offering 'commonality' with the rest of the range, Gulfstream Aerospace launched an upgrade to the model, which has been in service since 2012. The latest enhancements include a reduction in cabin altitude and exterior LED lights. These enhancements are available as retrofits.



## AIRCRAFT FACT FILE \ \

### Cessna Citation Longitude



#### CATEGORY

Super midsize jet

#### MANUFACTURER

Cessna - Textron Aviation, USA

#### ENGINE

2 x Honeywell HTF7700L turbofan

#### LENGTH

22.30 m

#### WINGSPAN

21.01 m

#### RANGE

6,482 km

#### MAX. SPEED

1,029 kmh

#### SEATING CAPACITY

12

#### NO. OF CREW

2

#### MAXIMUM TAKE-OFF WEIGHT (MTOW)

17,917 kg

#### DESCRIPTION

The Cessna Citation Longitude is both the largest member of the illustrious Citation family in production and the most recent to enter service. The Longitude, which was designed to replace the abandoned Citation Columbus project in the super midsize jet segment, was unveiled at EBACE in May 2012. Originally slated to be powered by the Safran Silvercrest engine, owing to development delays the powerplant was switched to the Honeywell HTF7700L in 2015, along with a host of design changes. The Longitude eventually made its first flight in October 2016 but did not receive FAA certification until September 2019 following further delays due to issues with the aircraft's fuel tanks.

In October 2018, fractional specialist operator NetJets placed an order for up to 175 Longitudes along with 150 examples of the Citation Hemisphere, a project which had to be suspended a year later due to continued problems with the Safran Silvercrest engine. NetJets received its first example in December 2019.