



AIRBORNE

September 2019

FOLLOW US!

 @RegisterAnAcft

 @Register_An_Aircraft

LABACE 2019 - Brazilian market rising

This year's Latin American Business Aviation Conference and Exhibition (LABACE) – held in cramped conditions at São Paulo Congonhas airport from 13 to 15 August – sought to emphasise the residual strength of the Brazilian market and reasons for optimism as to its future.

Brazil boasts the world's second largest fleet of civilian aircraft, behind only the US, but its economy has suffered a difficult eight years marked by political scandals and poor economic growth. However, the free market stance of President Bolsonaro has created a sense of renewed optimism. This was evident among manufacturers and clients attending the show.

Flávio Pires, CEO of the Brazilian Association for Business Aviation, noted that "the worst passed two years ago" in economic terms. And while the size of the business aircraft fleet remains stagnant, the number of operators grew by nearly 3% in 2018.

In terms of foreign OEMs, Gulfstream led the way with its newly certified G600 making its debut alongside a G650ER and G280. Home grown Embraer also celebrated the domestic certification of its Praetor 500 as the show opened. A total of 47 aircraft graced the static park.

On a less positive note, speakers during the conference sessions pointed once again to the logistical challenges facing business and general aviation – the need for new airports in a country where many of the population live in remote areas and the reliance of the sector on a single avgas refinery covering the whole of the country.

Embraer turns fifty

The timing of this year's LABACE show in São Paulo coincided almost to the day with the 50th anniversary of the establishment of Brazilian manufacturer Embraer. Empresa Brasileira de Aeronáutica was established on 19 August 1969 as a state-owned corporation producing aircraft solely for the domestic market. An example of its first model – the iconic twin turboprop Embraer EMB-110 Bandeirante – was on display at LABACE.

Embraer was eventually privatised in December 1994 although the Brazilian government continues to hold an interest. The company has been involved in the manufacture of military transports, trainers and fighters, as well as commercial airliners ranging from small turboprops to regional jets and executive jets.

The popular Legacy 600 was initially unveiled at Farnborough 2000 and then launched by the dedicated Embraer Executive Jets business unit in 2002. The company has subsequently launched families of aircraft in the light-mid-size range like the Phenom 100 and 300, larger twins such as the Legacy 450 and 500 (and latterly the Praetor 500 and 600) along with the enhanced Legacy 650 and large cabin Lineage 1000.

Avionics sales soar on back of ADS-B OUT deadline

In its latest review of business turbine aircraft equipage ahead of the approaching ADS-B Out deadline on 31 January 2020, data analyst FlightAware reported that 79% of the fleet had achieved compliance by the end of July. With the addition of just over 500 aircraft in June, a total of 13,862 aircraft have now been equipped. However this left 3,632 still requiring modification. The rush to beat the looming FAA deadline is the main reason for a 14% YOY increase in corporate and general aviation aircraft electronics sales for the first six months of 2019.

Dassault - deliveries and departures

As usual, Dassault Aviation announced its order and delivery data for the first half of 2019 after all other OEMs. The French manufacturer delivered 17 Falcon executive jets in the first six months, compared to 15 in the same period last year. It also noted, in a postscript to the financials, that there had been 23 deliveries this year by the end of August. In terms of orders, however, Dassault reported that it had sold just seven Falcons in H1 2019 worth some €627 million, compared to 18 (€1,222 million) in H1 2018.

After a 44-year career with Dassault Aviation, John Rosanvallon is stepping down as CEO of Dassault Falcon Jet – the US business aviation unit – that he has headed up for some 23 years. He will be replaced by Thierry Betbeze.

H1 deliveries and billings soar

According to the data for H1 2019 by the General Aviation Manufacturers Association (GAMA), billings and deliveries have soared compared to the same period last year. General aviation – particularly business jet and piston aircraft – saw deliveries rise by 7.8% and billings by some 12.9%. In terms of business jet deliveries, the total rose by 35 units (12.5% up) although this does not include the figures for Dassault Aviation cited above. GAMA CEO Pete Bunce said: "Our mid-year report shows new aircraft reaching entry into service milestones, with additional models expected to enter service before the end of 2019."

AVIATION SERVICES HUB:

Corporate ownership

Leveraging the Sovereign Group's wealth of experience in the provision of corporate services, RANA offers ownership solutions that are tailored specifically to aviation assets. We can recommend appropriate jurisdictions and corporate structures to provide asset protection, including tax and succession planning, as well as advising on the requirements and restrictions of particular registries.

The carefully planned use of a company structure – or special purpose vehicle (SPV) – can provide a number of distinct advantages to the owner of private aircraft or other types of aviation asset. Access to corporate limited liability and enhanced levels of confidentiality are the most obvious, but a company structure can also provide significant potential benefits in respect of estate planning, as well as simplifying any future sale of the asset, resulting in savings of time and cost. Sovereign will establish structures in jurisdictions worldwide that are best suited to the owner's place of residence or domicile and the aircraft's registration and intended usage.

Bizav pre-owned market plunges

According to the latest data released by specialist analyst JETNET, pre-owned transactions for business aviation aircraft have fallen substantially. JETNET, which describes itself as “the world leader in aviation market intelligence” reported that business jet transactions fell by 21.5% and turboprops by 13.9% compared to June 2018. At the end of June, the pre-owned business jet inventory stood at 2,099 of the total fleet of 22,177 aircraft in service, while the average number of days on the market climbed by 28 to 297 days. The 12-month moving average for business jet transactions by the end of June fell to 2,584, compared to the apex of 2,892 in December last year. Commenting on the data, JETNET said: “2019 is off to a bad start for the pre-owned business jet market.”

But...US bizav flying is on the rise

The latest data from Argus International’s TRAQPak Aircraft Activity Analysis Tool showed that business aircraft activity in North America and the Caribbean climbed by 2.4% YOY in July. All seams reported increases during the month, but the largest uplift was seen in fractional flying – at some 6.5%. Activity in Part 91 (small non-commercial aircraft) rose by 1.9% and Part 135 (charter flights) increased by 1.7% compared to the same period in 2018. It attributed much of the increase in activity to higher than expected levels of flying around the US 4th July holiday. However the good news is unlikely to last. Argus is predicting a fall of 0.3% in August.

Emiliano Sala crash - speculation continues

The investigation into the crash of Piper Malibu N264DB near the Channel Island of Guernsey on 21 January, which claimed the lives of footballer Emiliano Sala and pilot David Ibbotson, continues to attract lurid headlines. “Revealed: How the faceless owner of Emiliano Sala’s deathtrap plane had it registered in US and paid UK firm to keep their identity secret – meaning air crash investigators are banned from naming them”, claimed The Daily Mail. According to FAA records, the aircraft was held in a non-citizen owner trust – a perfectly legitimate vehicle that is often used to register aircraft in the US if the owner is a foreign citizen or entity. The investigation remains ongoing and the official full report is expected to be published early next year.

Corporate aircraft news

Embraer confirmed that it had received home type certification for the Praetor 500 on 13 August. ANAC, the National Civil Aviation Agency of Brazil, gave the nod to the Praetor 500 on the first day of this year’s LABACE show in São Paulo. The 500 is an improved variant with additional fuel capacity, of the well-established Legacy 450 and was first announced at the NBAA-BACE in October 2018. The Brazilian manufacturer also secured Brazilian, US and European approval for the larger Praetor 600 earlier this year.

The FAA has granted Textron Aviation an exemption for the fuel tank on the Citation Longitude, providing a major boost to a programme that has already been delayed by more than two years. The US manufacturer now expects to receive certification at the end of this month. Textron noted in a press statement: “The purpose of the exemption is to align the Longitude’s fuel system compliant design with the regulation, which did not anticipate the type of solution used. This is the permanent means of full compliance with the regulation.”

As briefly mentioned last month, Gulfstream Aerospace delivered the first Gulfstream G600 to a US customer on 8 August. The new large cabin twin received type and production certification from the FAA on 28 June. The G600 has a range of 12,038km (6,500 nautical miles).

The profile of the ‘super versatile jet’ Pilatus PC-24 continues to grow. The Swiss manufacturer delivered the 40th example of the twinjet on 27 August to an existing PC-12 owner in Chile – the first example to be registered for operation in South America. In addition, Pilatus has announced the sale of six PC-24s to Swedish air ambulance operator Svenskt Ambulansflyg. The aircraft will be the first of the twinjets to be used in an air ambulance role in Europe and join those already delivered to the Royal Australian Flying Doctor Service. Delivery of the Swedish examples is scheduled for 2021.



AIRCRAFT FACT FILE \ \

Boeing 707-300



CATEGORY

Heavy jet

MANUFACTURER

Boeing, USA

ENGINE

4 x Pratt & Whitney JT3D turbofans

LENGTH

46.61 m

WINGSPAN

44.42 m

RANGE

9,300 km

MAX. SPEED

977 kmh

SEATING CAPACITY

Up to 219 in airline service

NO. OF CREW

3

MAXIMUM TAKE-OFF WEIGHT (MTOW)

151,318 kg

DESCRIPTION

The Boeing 707 laid the foundation for the US manufacturer’s dominance of the commercial jet airliner market. While the 707 was beaten into service by the de Havilland Comet, it was the first jet airliner to achieve commercial success. The prototype (designated as the 367 Dash 80) first flew on 16 July 1954 to fulfil a need for a military transport. The derived tanker for the US Air Force was designated as the KC-135 and offered a wider fuselage than the 367 Dash 80. The original passenger airliner (the 707-120 for Pan American) was longer and featured a further wider fuselage. The 707-120 flew for the first time on 20 December 1957. A further stretch, the 707-320, first flew in July 1959.

Excluding the military KC-135, a total of 1,010 airliner Boeing 707s were produced until 1978 when the line ended. Production of military variants continued until 1991. A substantial number of 707s were in use by governments, air arms and corporations for VIP with a very small number remaining in service today.