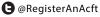
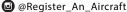
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# Economic impact of business aviation in Europe

Business aviation is "a prime enabler for regional economic development" says an influential report commissioned by the European Business Aviation Association (EBAA). The report claims that the average time saved using a corporate aviation flight is 127 minutes over a commercial service. It also notes that business aviation serves 31% of routes not served by non-stop commercial flights – some 25,280 city pairs. The report also makes some interesting observations relating to business efficiency, including reduced access time to and from business aviation airports compared to large commercial airports.

The study puts the overall impact of business aviation on European Gross Domestic Product (GDP) at 0.2%. It identifies 371,000 jobs directly or indirectly dependent on the European business aviation sector and indicates that it adds €98 billion in output, €27 billion in GVA and €21 billion spent in wages. Unsurprisingly, Germany, France and the UK represent some 63% of the market.

The report was produced by strategy consultants Booz Allen Hamilton in conjunction with Deutsches Zentrum für Luft-und Raumfahrt (DLR).

### Brexit - the BBGA view

Marc Bailey, the CEO of the British Business and General Aviation Association (BBGA), has made the association's position on Brexit very clear. "We have developed legislation alongside EASA that supports our sector. It is therefore vital for BBGA that we retain EU legislation for aviation and develop the requirements in a way that are proportionate and risk-based for our sector." The BBGA has written a formal letter to the UK Department of Transport urging that the interests of British aviation be safeguarded in the negotiations that will lead to Brexit. Bailey added: "It is important for us to obtain a clear picture before year-end to prevent any unnecessary movement of aircraft, assets, or companies to an alternate location."

## Jersey register developments

The Jersey Aircraft Register (JAR) has registered its first helicopter. The Eurocopter EC-135-P2 formerly registered in New Zealand has been added as ZJ-HLH to GAMA Aviation (UK) of Farnborough. The helicopter joins CitationJet CJ4 ZJ-THC on the register.

Under the Aircraft Registration (Amendment of Law) (Jersey) Order 2016 a small but important change has been made to the list of "qualified persons" permitted to register aircraft in Jersey. The amendment clarifies that "qualified persons" – legal or individual – for JAR can come from Jersey, Guernsey, the Isle of Man, a Commonwealth country, a European Economic Area country and Switzerland.

# Flexjet buys FlairJet in UK

Updating our report in the June edition of Airborne, it has now been confirmed that US fractional and charter specialist Flexjet has acquired Birmingham-based (UK) operator FlairJet. Flexjet will operate a fleet of eight Nextant 400XTi aircraft under FlairJet's AOC. Central to the plan is to make UK-based aircraft available to Flexjet passengers who have crossed the Atlantic in addition to having aircraft available to charter for European-based customers. FlairJet was founded in 2009 and was acquired in 2013 by Marshall Aerospace.

# Manufacturer deliveries 2016 - the first half numbers

Brazilian manufacturer Embraer's figures for the first half of 2016 exceeded those of the previous year. The company delivered a total of 49 jets (35 Phenoms and 14 large cabin aircraft) compared to 45 in the period of June 2015 (36 Phenoms and 9 large aircraft). Q2 however saw just 26 aircraft handed over compared to 33 last year.

Dassault's results for the first half of 2016 reflected challenging times for the French manufacturer. The company delivered 15 jets to the end of June, a decline of three over 2015. It also reported a backlog of 87 orders, down from 91 at the end of 2015.

Textron Aviation delivered 45 Citations in Q2, which compares with 36 in the same period last year. Turboprop King Air deliveries however slumped to 23, seven fewer than in Q2 2015. Although revenues for the period increased to \$1.196 billion, profits fell by some \$7 billion largely due to competitive pricing on new Citation models.

During the Q2 investor call, it was noted that Gulfstream deliveries fell by seven aircraft during Q2. The Savannah-based manufacturer handed over 34 jets (27 large cabin and seven mid-size aircraft) compared to 41 aircraft (33 and eight respectively) in the same period last year. Profits fell to \$845 million, down by \$25 million.

### RANA SERVICE CENTRE:

Finance solutions

Despite the economic downturn, the new and used corporate aircraft market continues to function and buyers continue to seek finance for these transactions, with growing demand in some sectors 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 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.

# AIRBORNE

# Farnborough 2016

The fact that the Farnborough International Airshow had to be evacuated due to torrential rain on its first trade day perhaps reflected the dampened atmosphere coming shortly after the UK had voted to leave the EU. The emphasis was clearly on military and commercial hardware and sales – attention to the corporate jet market was somewhat thinner.

There were however some significant developments. Gulfstream stole the business aviation show by displaying a G500 test aircraft in the static alongside a G650ER, G450 and G280. The manufacturer also scored a significant order for three more G650ER with Qatar Airways Executive, which s now the largest operator of the flagship aircraft. The Doha-based airline also displayed an Airbus A319 with an executive interior. In contrast, Bombardier brought no business aircraft to the show, concentrating instead on its C Series commercial airliner.

Embraer's Legacy 500 made its Farnborough debut along with the KC390 military transport and upgraded 190E2 commercial airliner. French builder Dassault displayed a range of Falcon aircraft although the newly certified 8X was missing. Marking the 20th anniversary of the original BBJ, Boeing formally announced the launch of the BBJ Max 7 designed to compete for the ultra-long range market with the G650ER and Global 8000.

# Surf Air expands 'all you can fly' model into Europe

Successful US member charter service Surf Air has announced that it is to commence operations in Europe later this year. The light jet aircraft, to be operated by TAG Aviation (UK) will be available to members who pay a monthly fee of £2,500. Members will be able to fly as many times as they wish between the company's destinations at no additional cost. It is understood that the operation will be based at London Luton with initial services to Zurich, Geneva and Cannes. The firm said additional business and leisure destinations will be added later.

# Corporate aircraft news

Following what were described as "minor modifications" to the wing and updates to the avionics and fuel control, the Embraer Legacy 450 has been certified for a longer range. Regulators in Brazil, the US and Europe and approved an increase of 609km to the certified range of the aircraft with four passengers and fuel reserve. The aircraft's range has been increased to 5,378km.

In other news, the Brazilian manufacturer has announced an upgrade to its Phenom 100 aircraft. The Phenom 100EV with feature a new Garmin G3000 avionics suite and will offer newly upgraded P&W C PW617F1-E engines. The first upgraded aircraft is due for delivery by the middle of next year.

On 8 July, Honda Aircraft received a production certificate from the FAA for the HA-420 HondaJet. This allows the company to increase production – it can now build, flight test and issue airworthiness certificates for production aircraft rather than having to revert to the FAA for each unit.

Canada's Bombardier confirmed at a recent investor call that the first Global 7000 is on schedule for the first customer delivery in the second half of 2018. It also confirmed that the aircraft should make its first flight later this year. The Global 7000 was first announced in 2010 but has been beset by delays.

In a very significant milestone for the project, Nextant Aerospace confirmed that more than 20% of all Beechjet 400A/400XPs have now undergone or are contracted to undergo remanufacture as Nextant 400XT and XTi. Nearly 70 of the remanufactured light jets are now in service in 13 countries worldwide out of a total of 550 active aircraft.

US manufacturer One Aviation has announced a new variant of the Eclipse 550 very light jet. Known currently as the Eclipse Canada, the enhanced version with feature increased wingspan, an integrated Garmin G3000 avionics suite and newer more powerful P&W C PW615 engines. The Eclipse Canada is due to make its first flight later this year. The company made it clear that the Canada will eventually replace the EA550 on the production line.



### AIRCRAFT FACT FILE \\

Gulfstream G500



### **CATEGORY**

Large size jet

### **MANUFACTURER**

Gulfstream Aerospace, USA

#### ENGINE

2x Pratt & Whitney PW814GA turbofans

 LENGTH
 WINGSPAN

 27.78 m
 26.55 m

RANGE MAX. SPEED 9,260 km 982 kmh

SEATING CAPACITY

NO. OF CREW

2

MAXIMUM TAKE-OFF WEIGHT (MTOW)

34,859 kg

### **DESCRIPTION**

Just a few days before NBAA 2014, Gulfstream stunned the industry by unveiling two new large-cabin aircraft to add to its range of corporate jets. The "fly by wire" G500 and G600 are designed to supplement rather than replace the current G450 and G550. Gulfstream promotes the G500 as a design that "out distances all peers above Mach 0.85 and is the only jet in its class to combine incredible speed with significant range."

The prototype G500 made its first flight on 18 May 2015 and a total of five aircraft are currently taking part in the flight-testing programme. One of the test aircraft was on display at the Farnborough International Airshow in mid-July. On 5 August this year, the first production aircraft with a full interior flew for the first time from the manufacturer's plant at Savannah, Georgia. The G500 is due to receive certification from both the FAA and EASA next year, with service entry in 2018. The first G600 is due for delivery in 2019.