

The monthly newsletter of RegisterAnAircraft.com – the Aviation Division of The Sovereign Group

Hawker Beechcraft sold to China?

Hawker Beechcraft announced on 9 July that it had entered exclusive negotiations with China's Superior Aviation Beijing to sell the civilian parts of its business for just under \$1.8 billion. The US-based manufacturer, which sought Chapter 11 bankruptcy protection on 3 May, has been plagued by financial problems since Raytheon sold it to a private equity consortium of Goldman Sachs and Onex Corporation in 2006, a deal that left it with a heavy burden of debt. Under bankruptcy protection rules the parties have 45 days in which to come to an agreement during which time Superior will make payments to support Hawker's current operations.

LABACE preview

The 9th annual Latin American Business Aviation Conference and Exhibition will be held at São Paulo's downtown Congonhas airport from 15 – 17 August. The 2011 show, Latin America's largest, received close to 15,500 visitors and played host to 170 exhibitors. It also boasted a static park containing just short of 70 aircraft. This year's LABACE promises to be on the same scale, if not bigger. The Brazilian corporate aircraft market continues its rapid expansion with strong demand for jets, turboprops and helicopters.



Brazil seizes 9 jets over tax

Brazilian tax, police and aviation authorities jointly seized nine business jets at airports in Rio and São Paulo recently, which they alleged were owned and used by Brazilians but were registered overseas to avoid Brazil's state and federal import taxes of nearly 35%. A further 13 aircraft are also being targeted.

Foreign-registered aircraft can only remain in Brazil for up to 60 days without paying import duties. To build its case, Brazil's civil aviation agency (ANAC) matched overflight authorisations with Brazilian customs' temporary admission permits and Air Force ATC flight plans, while tax authorities monitored in-country flights. The federal police said passenger lists were also tracked.

Africa – mining the potential

In a significant report, Hawker Beechcraft, a company itself being wooed by the Chinese has focused on Africa as a huge potential market for corporate aircraft, both jet and turboprop. This growth is set to come from the rapid expansion of the continent's mining industry – revenues grew by 36% in 2011. Echoing China's own recent "mineral rush" in various parts of Africa, expansion of corporate aviation is expected to grow alongside other heavy infrastructure improvements. Surface travel can be difficult, making corporate aircraft often the only option.

Sean McGeough, Hawker's president for Asia, Europe, Middle East and Africa, said, "Growth in demand for mineral resources from emerging countries has transformed Africa and it is fast becoming a preferred investment destination as African countries increasingly opens their doors to foreign investors."

RANA & Social Media

The cliché has evolved – information used to be power, now it is connectivity! For every individual or company there now seems to be a preferred vehicle for communication. RANA, along with Sovereign offices worldwide, is embracing these tools to reach a huge network of clients, potential markets and suppliers by maintaining a high profile on the most popular social media platforms. As a result, readers of 'Airborne' can now stay in touch with us and keep up to date with the latest developments in the corporate aviation business in between published editions through:

 @RegisterAnAcft

 RegisterAnAircraft.com

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Manufacturer half year 2012

In early July the world's corporate aircraft manufacturers reported on how they have been faring in the first half of 2012.

France's **Dassault** announced orders for 25 aircraft for the period, an increase of three over the same months in 2011. The company pointed to the strength of the Chinese market and to the weakness of demand in the US and Europe where a glut of pre-owned aircraft continues to dampen orders for new airframes.

Embraer's corporate jet division posted a significant increase in deliveries from April to June – from 21 to 35 over the first

quarter of the year. This increased net revenues for the first half of the year to \$412 million – a significant jump on 2011 for the Brazilian firm.

Gulfstream, awaiting delivery of the first 17 of its new flagship G650 later this year, reported an increase in sales of 16% – \$1.6 billion – over the first six months of 2011. The US company pointed to a slight weakening of overseas orders (including Asia) but a small jump in domestic sales.

A view from Farnborough

From the corporate aviation market perspective, the pundits seem to agree that Farnborough 2012 was disappointing. A lack of significant orders was matched by a perceived lack of enthusiasm by some manufacturers who stayed away entirely. Sovereign's Ian Le Breton, who visited on the Thursday trade day, commented that "The gloomy weather seemed to match the mood of some of the key players as they surveyed the state of the European corporate sector. Worries over the Eurozone are very real."

Corporate Aircraft News

Having received its EASA and FAA type certification in April 2007, France's **Dassault** announced that the 200th Falcon 7X rolled off the production line at the end of July. Just over 150 aircraft have so far been delivered to operators worldwide.

With the recent granting of type certification by TCCA (Transport Canada Civil Aviation), Brazil's **Embraer** has now received approval for the Phenom 300 from over 40 national authorities.

July was a month of mixed fortunes for **Bombardier**. The Canadian manufacturer received a boost with an order from an

undisclosed customer for eight Global aircraft. The order, split between three Global 6000 and five of the new generation 8000 model, is worth over \$500 million. However, owing to a slump in demand for the model, the company also announced a temporary suspension of production of the Learjet 60XR at its Wichita facility in Kansas.

AIRCRAFT FACT FILE:

Cessna Citation Mustang



CATEGORY:

Very Light Jet

MANUFACTURER:

Cessna, USA

ENGINES:

2x Pratt & Whitney PW615F turbopfans

LENGTH:

12.37 m

WINGSPAN:

13.16 m

RANGE:

2,130 km

MAX. SPEED:

630 kmh

SEATING CAPACITY:

Up to 5, typically 4

NO. OF CREW:

1

MAXIMUM TAKE-OFF WEIGHT (MTOW):

3,921 kg

DESCRIPTION:

The Citation 510 Mustang, Cessna's very light jet was the first fully-certified design in the class also described as "entry level jets". The programme was announced in 2002, with the aircraft's first flight in April 2005. FAA type certification was granted in September 2006 with customer deliveries beginning later that same year. EASA approval followed in May 2007. A 'High Sierra' package with upgraded interiors and avionics suite was offered from 2010.

Since inception, the aircraft has been targeted towards owners of turboprop aircraft who may be ready to "join the jet set". Cessna trumpets the aircraft's competitive price, accommodation, speed, avionics, performance and single pilot operation. The Mustang's competition includes the Embraer Phenom 100 and the Eclipse 550. In May 2010, Cessna delivered the 300th aircraft.