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## Merger creates largest US management & charter operation

2017 took off with the announcement that aircraft charter specialist Gama Aviation and aviation services provider BBA Aviation, both UK-listed firms, are to merge their US aircraft management and charter businesses to create the largest aircraft management business in the US.

The merger provides national coverage, with BBA's predominantly West Coast-based fleet complementing Gama's currently East Coast-based management and charter operation, and will boast a fleet of over 200 aircraft. BBA entered the aircraft management and charter services sector when it purchased Landmark Aviation for \$2.1bn in September 2015.

Aircraft management is just one part of operations at both BBA and Gama and the joint venture will be set up as a separate legal entity, known as Gama Aviation Signature Aircraft Management. The two listed firms will each own 24.5% of shares each. The remaining 51% will be "owned by a small number of individual US shareholders including the key operational management" to comply with US foreign ownership rules.

Gama CEO Marwan Khalek said: "The enlarged business creates a market leader and an unrivalled platform for growing our share of this massive whilst simplifying the financial arrangements with our U.S. partners."

## Dassault Falcon orders fall

Dassault Aviation has confirmed that net orders for 2016 fell by four units over 2015. The announcement was made ahead of its full year results in early March. The French manufacturer logged a total of 33 gross orders for Falcons in 2016, but it also suffered cancellation of 12 orders for the new Falcon 5X large twin. Development delays on its new flagship project caused by problems with the Safran Silvercrest powerplant are believed to lie behind the cancellations. The aircraft is scheduled to make its first flight later this year and is not now due to enter service until 2020.

## Corporate Angel Network turns 35

The Corporate Angel Network (CAN), which transports thousands of cancer patients every year using empty seats on private aircraft, has just marked its 35th anniversary. Originally, conceived by two cancer survivors, and based out of Westchester County, NY, CAN now arranges over 2,500 flights each year to transport patients and their families to and from specialist cancer centres around the US. The first flight, which carried a patient who had been undergoing treatment in New York back to Detroit, was on 22 December 1981. That seat was provided by Safe Flight Instrument Corp. on one of its corporate aircraft operating from White Plains.

## JetSmarter injects new funding

Having hit the headlines with the launch of its new "JetShuttle" between Dubai and London in early December, the groundbreaking US-based online membership marketplace JetSmarter is again in the news. It confirmed that it has raised \$105 million in new funding, taking the company to an estimated pre-money valuation of \$1.5 billion. According to observers, this injection of capital, primarily from Middle Eastern investors, makes JetSmarter the first business aviation private company with a valuation of more than \$1 billion. It is understood that JetSmarter plans to use the funding to launch new scheduled "shuttles" in Latin America, Asia and the Middle East. JetSmarter was launched in 2012 and boasts just under 7,000 members paying an annual fee of \$15,000.

## Global 7000 to boost fortunes

Bombardier's flagship Global 7000 is due to enter service next year. The aircraft flew for the first time last November and is expected to receive certification in early 2018. Speaking during the Canadian manufacturer's investor day, Bombardier Business Aircraft president David Coleal estimated that the company's revenues would climb by some \$3 billion between 2018 and 2020. He also noted that all delivery positions for the new model are sold out through to the end of 2020. In a wide ranging analysis of Bombardier's business aircraft strategy, it was made clear that the company sees substantial growth in revenues from maintenance and service provision. It is estimated that the threshold of 5,000 Bombardier business aircraft in service will be reached by 2020 and that this should realise a near doubling of after-sales revenues.

## HondaJet enters charter service

Phoenix-based specialist operator Cutter Aviation has placed the innovative HA-120 HondaJet into commercial charter service for the first time. Cutter Aviation has added two HondaJets to its Part 135 certificate making the aircraft available for passenger charter. The company is the licensed dealer for the HondaJet in the US Southwest and has considerable experience with the new model. The HondaJet accommodates up to six passengers, provides a range of some 2,185km and is claimed to offer more baggage space than competing designs.

## RANA SERVICE CENTRE: Aviation finance

Despite the continued volatility of 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, 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.

## “Tepid growth” for business aviation

“Tepid” may not be an adjective that is designed to set the pulse racing, but this is the term that has just been applied to the future of the business aircraft market over the next ten years. The 2017 Business Aviation Fleet & MRO Forecast produced by Aviation Week Intelligence Network suggests that the corporate aviation market is soft with “bright spots and not-so-bright areas” expected over the coming decade. The main headline figure predicts 36,702 business aircraft in service at the end of 2026, compared to the current 31,864, to give a “tepid” annual growth figure of 1.6% (4,838 aircraft).

The survey covers turboprop and turbine aircraft, including commercial airliners that have been converted for VIP use. Analysts pointed to a saturated sector with dampened resale values leading to a continuing depressed market, but also noted positivity in respect of continued manufacturer investment in new models and updated designs. In geographic terms, the Chinese market is expected to increase by 5.24% with Western Europe following on 3.5%. The US share of the market (currently 64%) is not expected to change, but Latin America looks set to be overtaken by Western Europe.

## Jet Aviation rebrands

Jet Aviation was established in Switzerland in 1967 and now provides far-reaching FBO, aircraft management, maintenance, engineering and completing services across a host of locations in North America, Asia, Europe and the Middle East. To mark its 50th anniversary, the company has introduced a new corporate logo to replace the well-known deer symbol that has been in use in some form since its inception. The company, a subsidiary of General Dynamics, will now focus its branding on the word “JET” while continuing to use the existing colour palette.

## Gulfstream G650 four years on

The first Gulfstream G650, s/n 6007, was delivered on 20 December 2012 to Las Vegas-based Wynn Resorts as N711SW. Four years on and over 200 examples are now in service worldwide. The aircraft is the Savannah-based manufacturer’s largest and fastest corporate aircraft. The project was formally unveiled in 2008, receiving FAA certification in September 2012 and a Production Certificate on 20 December. EASA certification was secured a day later. The G650ER, the extended range version, features an increased maximum take-off weight and greater fuel capacity providing a range of some 13,900km at mach 0.85.

## Corporate aircraft news

Gulfstream’s new G600 twin is scheduled to enter service in early 2018. In a crucial programme milestone, the aircraft made its first flight on 17 December. The first flight, lasting 2 hours and 53 minutes, took place from the manufacturer’s plant at Savannah. A further two aircraft are to join the flight test programme in the early part of this year. The G600 can accommodate up to 19 passengers in four separate zones and can sleep up to nine.

After receiving full FAA certification on 28 October, Cirrus Aircraft finally delivered its first single engine Vision Jet to a customer on 19 December in a ceremony at its plant in Duluth, Minnesota. Marketed as a “very light jet”, the Vision can seat up to six passengers with single pilot operation and boasts a range of 2,315km.

Beechcraft has ramped up performance options for its King Air 350ER and 350HW twin turboprops by introducing P&WC PT6A-67A engines for both models. The new engines offer enhanced take-off performance and are designed specifically to allow enhanced operations from “hot and high” fields. The aircraft is also being offered with a higher maximum take-off weight of 7,937kg. Both the weight and powerplant modifications have regulator approval and can be offered on new airframes and as a retrofit option.

On 14 December, Brazilian manufacturer Embraer handed over the first Legacy 450 mid-size twin assembled at its plant at Melbourne, Florida. A second example is due for delivery during Q1 2017.



## AIRCRAFT FACT FILE \\\

### McDonnell Douglas MD-87



#### CATEGORY

Heavy jet

#### MANUFACTURER

McDonnell Douglas, USA

#### ENGINE

2x Pratt & Whitney JT8D-217C turbofans

#### LENGTH

39.75 m

#### WINGSPAN

32.86 m

#### RANGE

5,522 km

#### MAX. SPEED

925 kmh

#### SEATING CAPACITY

36 in VIP config.

#### NO. OF CREW

2

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

63,505 kg

#### DESCRIPTION

The MD-87 is another commercial airliner that has found a willing market with corporate, VVIP and government operators. A shortened version of the twin-engined MD-80 airliner, the MD-87 was the first of the marque to feature an EFIS flight deck with two flight management system controls. The MD-87 featured the JT8D-217C turbofan which offered fuel savings of some 2% over the earlier 217A series. Features chosen by a number of commercial airlines and used fully by subsequent niche operators are the aircraft’s auxiliary fuel tanks and additional front and rear cargo compartments.

The MD-87 was officially announced in January 1985. It flew for the first time December 1986 and received FAA certification on 21 October 1987. A total of 1191 MD-80 were built, of which 75 were MD-87 models. The MD-87, like the rest of the MD-80 family were developments of the original hugely popular DC-9 range of airliners.