



September 2017

FOLLOW US!

 @RegisterAnAcft

 @Register_An_Aircraft

Green shoots for Latin America? - LABACE 2017

This year's LABACE – the 14th Latin American Business Aviation Conference & Exhibition – could have been a gloomy affair. After all Brazil, the continent's largest market for corporate aircraft, has continued to suffer from a contracting economy in the decade since the global financial crisis. This has been exacerbated by political instability and the currency that remains weak amid continuing uncertainty.

Despite this, LABACE 2017 – organised by 3H on behalf of the Brazilian Association for General Aviation (ABAG) – featured 50 aircraft in the static display along with some 130 exhibitors at São Paulo Congonhas airport from 15 to 17 August. Visitor numbers were also slightly up on last year's 10,000.

There are now some positive economic signs and these were reflected in statements made during the show. The economy is growing and inflation is at its lowest level for nearly 20 years. Data from US analyst JETNET suggests that the business aviation market grew by just under 3.5% in the first half of this year. Latin America remains the third largest corporate aircraft marketplace after the US and Europe and the general aviation market is essential in a region that is underserved by commercial airlines.

Manufacturers including Bombardier were equally bullish, not only for the improving prospects for sales in Brazil but also in traditionally strong markets such as Mexico and Argentina.

VistaJet grabbing the headlines

VistaJet, the global programme and charter specialist, announced on 23 August that it has signed a landmark deal with US buyout specialist Rhône Capital for a substantial investment that values the private aircraft company at more than \$2.5 billion. Rhône has invested \$150m of fresh equity and acquired a further \$50 million of secondary stakes.

Analysts said the investment was a major vote of confidence in VistaJet's strategy and business model, particularly its emphasis on programme sales. The company's gross earnings (EBITDA) increased by 32% in H1 2017, compared to the same period last year. In addition, its membership sales grew by some 57% over 2016. VistaJet's founder and chairman Thomas Flohr said: "With the investment announced today, the equity valuation in excess of \$2.5 billion and our fully scalable technology driven business model, VistaJet is ideally placed to take advantage of the opportunities to shape the market as it further develops in the years to come."

With an operations hub in Malta and main sales offices in London, Dubai, New York, Los Angeles, Hong Kong, Shanghai and Beijing, VistaJet has built a fleet of over 70 wholly-owned Bombardier aircraft.

The firm has just launched VistaJet Direct, a new digital membership that gives customers priority access to available one-way and empty leg flights via the company's app. A yearly membership of \$10,000 will allow customers to request bookings on all available VistaJet aircraft prior to the charter market. Through the app's in-built geo-location services, Members will receive a push notification when a flight near them or from their favourite cities is available. Flohr said: "Today's launch is all about giving our customers, and all business travellers, as much flexibility and choice as possible. With the addition of VistaJet Direct, flying with us is easier than ever."

Pre-owned bizjet inventory 10 year low

June 2017 had the lowest 'For Sale' percentage (10.7%) for business jets since the global financial crisis, according to US data provider JETNET, down from 11.7% in June 2016. Business jets showed a good start in the first six months of 2017, with a 5.6% increase in pre-owned sale transactions. Business turboprops decreased by 11.1% in sale transactions. There are currently 21,354 business jets and 15,125 business turboprops in operation globally, of which 2,301 and 1,155 respectively are for sale. The number of in-operation business jets has grown by 2,215 since 2013, almost double the number of business turboprops, which has grown by 1,212 since 2013 of 2016.

Russia's JetExpo scales down in 2017

The 12th International JetExpo business aviation exhibition was held at the Centre of Business Aviation at Moscow's Vnukovo Airport from 7 to 9 September. JetExpo 2017, which bills itself as the "top business aviation show in Eastern Europe and Asia", took place against a backdrop of international sanctions and an 18% fall of in Russian business aviation traffic over the last four years. The show boasted just over 30 fixed wing and rotary craft – a substantial fall over previous shows, particularly in respect of turboprop models. That said, jet manufacturers continue to show confidence in the market with Gulfstream, Dassault, Bombardier and Embraer all bringing their latest and flagship models to the show. The only business turbo-prop on display was the Pilatus PC-12NG.

RANA SERVICE CENTRE:

Aviation insurance

Sovereign Insurance Services (SIS) is a fully licensed, independent general insurance intermediary based in Gibraltar with direct links to specialist underwriters based in London and elsewhere. SIS can offer wide-ranging bespoke insurance cover for owners of fixed wing aircraft and helicopters. The strength of the Sovereign brand combined with the expertise and experience of the SIS team has enabled it to build relationships with leading insurers throughout the world. The team offers market insight and expertise, competitive pricing, together with efficient and professional claims handling.

Specialist aviation insurance covers the full range from public liability through to hull insurance for new or used airframes. The SIS team can quote on all types of aviation asset – from corporate jets and turboprops, general aviation aircraft and helicopters to FBOs, flying schools or commercial passenger or freight operators. SIS also specialises in areas such as kidnap and ransom insurance, which may be of interest to aircraft owners and operators.

European traffic soars in August

The European business aviation sector notched up 78,785 departures in August 2017 making it “the busiest ever August for flight activity, exceeding August 2008 by 1.3%,” according to specialist analyst WINGX Advance. The monthly total was up 5.5% year-on-year and takes the year-to-date trend to 3.3% – an extra 18,047 flights compared to 2016. WINGX Advance noted charter demand as the main catalyst for growth, with jet charters up more than 10% year-on-year. The UK, Spain, France, Switzerland and Italy recorded substantial growth, particularly with regard to charter (AOC) flights. Southeast Europe also saw “significant” growth during August, with double digit hikes in both Greece and Turkey.

Crystal AirCruises introduces 777

Crystal AirCruises has introduced a Boeing 777-200LR, as both the largest privately owned flying cruise ship and as a private charter. Branded as Crystal Skye, the aircraft is managed and operated by Fly Comlux, the executive airline division of Comlux Aviation, under an Aruba registration P4-XTL. The airliner was originally delivered to Réunion-based Air Austral in 2011 but has now undergone a multi-million dollar conversion and outfitting by Greenpoint Technologies at its Moses Lake, Washington, facility. The aircraft, which seats just 88 passengers offers a non-stop range of 19.5 hours.

FAA ADS-B Out deadline approaches

The US Federal Aviation Administration has mandated that aircraft operating above 10,000 feet in the National Airspace System and helicopters must be equipped by Automatic Dependent Surveillance-Broadcast (ADS-B) Out equipment by 1 January 2020. This deadline was first announced in 2010 and the industry has been preparing for implementation. FAA figures for general and business aviation aircraft estimate that up to 160,000 aircraft will need to receive modification to allow them to comply with the new rules. Industry groups, including the National Business Aviation Association (NBAA) and the American Owners & Pilots Association (AOPA), have been educating their members and the wider market about the need to carry out what can be an expensive and time-consuming modification.

Corporate aircraft news

Honda Aircraft confirmed that the HA-420 HondaJet, which featured in the static display at LABACE in São Paulo, has received certification from the Brazilian National Aviation Agency (ANAC). The distinctive design has now received approvals from the FAA, EASA, Transport Canada and the Mexican DGCA. After LABACE, the aircraft started an extensive promotion tour throughout the region. It was scheduled to visit Puerto Rico, the Dominican Republic, Trinidad & Tobago, Brazil, Argentina, Uruguay, Chile, Colombia, Panama, Guatemala and Nicaragua. The manufacturer delivered a total of 24 HondaJets in the first six months of 2017, eclipsing its rival Embraer Phenom 300, which handed over some 20 units.

Us remanufacture specialist Nextant Aerospace has confirmed that its next project, the Challenger 604XT, which was announced at EBACE in May, is on track. The aircraft’s Rockwell Collins Pro Line Fusion avionics suite is due for EASA and FAA certification by the end of Q2 next year. The company is expected to reveal further details of the project at the NBAA next month.

The first prototype of One Aviation’s Eclipse 700 very light jet made its first flight on 1 September. The larger version of the Eclipse 550 was originally known as ‘Project Canada’ when it was first announced last year. The prototype is a 550 airframe that has been fitted with the new larger wing. The new wing features a 1.2m extension and will provide increased range and fuel capacity over the 550. The first prototype is one of three that are expected to fly using a 550 base and elements of the new design, including powerplant and avionics.

The super mid-size twinjet Gulfstream G280 entered service at the end of 2012. The manufacturer confirmed that the model has recently achieved the landmark 100,000 flight-hour total. There are currently around 120 examples in worldwide service. The Savannah-based manufacturer has also provided project updates on its G500 and G600 twins. The G500 remains on course for certification and service entry by the end of this year. The fifth G600 test vehicle flew for the first time on 29 August. The aircraft is scheduled to enter service next year.



AIRCRAFT FACT FILE \\\

Tupolev TU-154M



CATEGORY

Heavy jet

MANUFACTURER

Tupolev, Russia

ENGINE

3 x Soloviev D-30KU-154 turbopfans

LENGTH

48.00 m

WINGSPAN

37.55 m

RANGE

5,280 km

MAX. SPEED

950 kmh

SEATING CAPACITY

180 in airline service

NO. OF CREW

3/4

MAXIMUM TAKE-OFF WEIGHT (MTOW)

104,000 kg

DESCRIPTION

The original Tupolev TU-154 first flew on 4 October 1968 and production finally ceased in 2013. In the intervening years the aircraft epitomised the title of ‘workhorse’ – over 900 examples flew with Soviet state airline Aeroflot and other carriers in some 35 countries worldwide. The aircraft entered airline service in February 1972. The aircraft remained the mainstay of many airline fleets until the mid-2000s. A major upgrade, the TU-154M first flew in 1982 and entered general mass production in 1984. The main enhancement was the use of much more fuel-efficient Soloviev D-30KU-154 turbopfans. These replaced the original Kusnetsov NK-8-2U powerplant, which were also mounted on the four-engined Ilyushin IL-62.

A number of examples have been used in the VVIP role by air arms and governments. The aircraft suffered several recent high profile hull losses – the 2010 crash of a Polish Air Force example in Smolensk and the 2016 crash of a Russian military aircraft after takeoff from Sochi.