

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

ABACE 2012 Review

Last month we posted a sneak preview of the Asian Business Aviation Conference and Exhibition (ABACE) held in Shanghai from 27-29 March, along with some insight into the challenges facing the Chinese corporate aviation market. Did the show live up to the hype and did it signal that official recognition of the business jet sector in China is developing?

By most measures, ABACE 2012 was a success. Limited exhibition space sold out in advance with just under 160 companies represented. The admittedly confined static display still featured just over 30 fixed wing and rotary aircraft and visitor numbers exceeded predictions. ABACE 2013 will be held from 16 to 18 April.

The show saw several major announcements from established market players. Fractional ownership operator NetJets confirmed a joint venture with Chinese investors. Subject to official clearance, NetJets China Business Aviation will commence operation from Zhuhai on the southern coast of Guangdong province, offering a charter and management service for privately owned aircraft. It is hoped that fractional ownership will follow. Austrian charter operator VistaJet also announced that it is to establish a base in Beijing using Chinese-registered aircraft to be flown under the AOC of Beijing Airlines.



From the manufacturers, Cessna confirmed an agreement signed just before the show with Aviation Industry of China Corp (AVIC) and the Chengdu regional authorities to start discussions on forming a joint venture for production of mid-sized Cessna business jets and new products for the business jet market.

The presence of senior figures from the Civil Aviation Administration of China (CAAC) at the opening of the show was an indication of growing official acceptance of the importance of corporate aviation. CAAC is to take a leading role in a new China Business Jet Shanghai Alliance, which is being formed to bring together manufacturers, operators and government to strengthen operating procedures and look at ways to improve infrastructure and regulation of the sector.

Indian Developments

Last month we reported on industry concerns at charges levied on corporate aviation in India, which were raised during the Indian Business Aviation Expo. A major Indian corporation hit the headlines after being ordered to pay \$3.3 million in fines and penalties for not paying customs duty on an Embraer Legacy 600. Bharat Hotels allegedly violated rules for the operation of a foreign registered aircraft in India. The aircraft remained on the US register although the government alleged that it was operated for charter in India beyond the time limit when it should have been imported. The company argued that it had complied with customs regulations and that it had intended to register in India but could not due to technical restrictions.

RANA SERVICE CENTRE:

Aviation Finance

Obtaining finance for aviation transactions in the current economic climate is not easy. In spite of this, RANA has built up relationships with a number of banks, finance houses, leasing companies and groups of individuals who may demonstrate an appetite for investment in the aviation sector. The sourcing of finance is of course viewed on a strictly case-by-case basis with tailored terms and conditions.

As we continue to report in successive editions of Airborne, there are areas of the market that are growing, with particular emphasis on the Chinese market, Russia and Eastern Europe, India, the Middle East and Brazil. With expansion in the sector, the appetite for investment in these and other areas will also grow.



FOLLOW US ON TWITTER: @RegisterAnAcft

Offshore Registries – The Numbers

Regular readers of *Airborne* will recall that last year we reviewed the numbers of current aircraft on each of the principal offshore registries. The information comes from various industry sources, and in the case of the Isle of Man, the official listing of registered aircraft which is produced on a monthly basis.

Speculative analysis of figures can be an inexact science but 2011 has seen some interesting developments. Both Aruba and Bermuda have experienced minor dips in net corporate jet registrations while Cayman has seen a significant increase.

The Isle of Man has continued to demonstrate its powerful growth and current position as one of the world's leading registries. A further breakdown of the Isle of Man's latest figures provides some interesting insights. As at 5

March 2012, the Isle of Man had registered a total of 456 aircraft since it commenced operation on 1 May 2007. Of these, a total of 342 remain active, comprising 246 corporate jets, 47 turboprops, 21 helicopters, 15 dormant commercial airliners and 13 light twin or single engine aircraft registered to Manx residents. Among the 114 cancelled aircraft, no less than 35 are dormant airliners, showing the success that the registry has had in attracting this often short-term business.

Date	'M' Isle of Man	'P4' Aruba	'VP/VQ-B' Bermuda	'VP-C' Cayman
31.12.2003	N/A	32 / 3	97 / 9	75 / 2
31.12.2007	20 / 4	53 / 2	149 / 5	115 / 1
31.12.2010	205 / 35	57 / 1	161 / 5	128 / 3
31.12.2011*	246 / 47	55 / 0	153 / 5	144 / 5

*Isle of Man figures at 05.03.2012

Corporate Aircraft News

Embraer has confirmed that its new mid-range Legacy 500 remains on schedule to fly for the first time in Q3 of 2012, while the smaller Legacy 450 will follow in Q3 of 2013 with customer deliveries following a year later. In less positive news, the manufacturer is still awaiting official approvals to start production of Legacy 600 and 650 aircraft at Harbin in China. Production of the corporate jets will replace that of commercial ERJ-145 aircraft which has now ceased at the plant.

Press reports at the end of March speculated that **Hawker Beechcraft** would have to file for Chapter 11 bankruptcy protection. However, within days it was announced that the struggling company had received a cash injection of \$120 million from three new investors.

In two significant programme milestones, **Gulfstream** announced that the 100th G150 had rolled off the production line and that the active aircraft had amassed in excess of 100,000 flight hours.

AIRCRAFT FACT FILE:

Cessna Citation Sovereign



CATEGORY:

Mid-Size Jet

MANUFACTURER:

Cessna, USA

ENGINES:

2x Pratt & Whitney Canada PW306C turboprops

LENGTH:

19.35 m

WINGSPAN:

19.30 m

RANGE:

5,273 km

MAX. SPEED:

848 kmh

SEATING CAPACITY:

Up to 12, typical 9

NO. OF CREW:

2

MAXIMUM TAKE-OFF WEIGHT (MTOW):

13,744 kg

DESCRIPTION:

Cessna's Citation Sovereign was announced to the world's media at the NBAA exhibition in 1998. The prototype first flew in early 2002 and received FAA type certification in June 2004, with first customer deliveries later that year. The manufacturer pitched the design to fill the gap between the Citation 560 Excel and the larger Citation 750.

Cessna markets the Sovereign with the tag: "So much room inside. So much roam outside". The aircraft features a stand-up cabin, which is claimed to be the most spacious of any design in its class, along with additional baggage stowage. The Sovereign is also designed to operate from short runways whilst offering an impressive range and maximum ceiling. Over 300 aircraft have been delivered to private and charter customers worldwide.