



Airborne

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

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Challenges and changes at Bombardier

Bombardier announced a major new financing plan and shake-up in its executive ranks after posting a \$1.2 billion loss for the full year 2014. The Canadian manufacturer said the loss was due mainly to \$1.4 billion in write-downs on the suspension of its Learjet 85 midsize business jet programme. The Business Aircraft division will focus on production of the current Global 5000 and 6000 and development of the long-range 7000 and 8000. Bombardier delivered 204 business aircraft in 2014, compared to 180 in 2013. The firm's Commercial Aircraft division has also been badly hit by rising costs from delays in the development of its narrow body CSeries commercial airliner, which has seen forecast costs rise from \$3.4 billion to \$5.4 billion. The aircraft is due to enter service at the end of this year. Bombardier announced it was suspending its dividend plans and would seek to raise \$1.5 billion in additional debt and \$600 million in equity. Both CEO Pierre Beaudoin and chairman Laurent Beaudoin, his father, announced that they would be stepping down. Former United Technologies Corp. executive Alain Bellemare is to replace Pierre Beaudoin, who will become executive chairman of Bombardier.

London City expands and gets Phenom 300

The operators of London City Airport received planning permission on 3 February to develop facilities that will allow for the operation of larger commercial aircraft, an increase in the annual number of flights from 71,000 to 111,000, and more slots for corporate aviation operations. The runway will not be extended but the terminal will be enlarged and there will be more parking stands. Situated only four miles from Canary Wharf and seven miles from the City, the airport's well-established FBO – London City Jet Centre – markets itself as “the only private jet centre based in London itself”. In a separate development, fractional operator NetJets Europe received certification to operate the Embraer Phenom 300 (which it markets as the Signature Series) from London City airport. The 5.5 degree approach requires special aircraft and crew approvals. NetJets received certification to operate its fleet of Bombardier Global 6000s into the facility. These approvals are significant because, according to NetJets, 53% of its European customer base comes from the London financial centre.

G650ER - the world with one stop

Gulfstream demonstrated the combination of range and speed of its flagship G650ER last month, by setting two city-pair records on a round-the-world flight that included just one stop. The aircraft departed from Westchester County Airport in White Plains, New York, with three passengers and four crew. It reached Beijing after a 13 hours, 20 minutes flight – 12,851km at an average speed of Mach 0.87. It then flew back to its home base at Savannah, Georgia, in 12 hours – 12,171km with an average of Mach 0.89. The aircraft arrived with fuel reserves above minima set by the NBAA inflight reserves rule.

Registry Numbers

It's been some time since we took a look at the registration numbers of the principal “offshore registries”. The figures below show the number of aircraft (corporate jets, turboprops and airliners) active on each particular register at 2 January 2015. We have also included Malta, which has in the last five years taken significant steps to promote its register to both private and commercial operators. The “Corporate airliners” category includes both VIP versions of commercial airliners – such as the Boeing BBJ range, the Airbus ACJ and the Embraer Legacy and Lineage – as well as conversions of aircraft which had seen previous service with airlines. It should also be noted that this category does not include ‘dormant airliners’ – commercial aircraft between operational leases and often placed on private “offshore” registries for short periods of time.

	Corporate	Jet	Turbo	Airliner
Aruba		26	0	29
Bermuda		90	4	43
Cayman Islands		120	2	39
Channel Islands		1	3	0
Isle of Man		299	48	37
Malta		68	3	13
San Marino		24	8	4

RANA SERVICE CENTRE:

Aviation finance

Despite a challenging economic climate, the market for new and pre-owned aircraft continues to function with growing demand in some sectors and geographical areas. RANA has built up relationships with a number of banks, finance houses, leasing companies and individual investor groups who have demonstrated an appetite for investment in the aviation sector. Lenders will of course look at a number of different factors in assessing risk. In addition to the loan to value ratio and length of term for any potential venture, each has their own criteria for investment. Such criteria may include: the maximum age of the aircraft; whether it is new or prior-owner; the book value of the aircraft; the jurisdiction of the aircraft's current or proposed registration; and the type and nationality of the client. The sourcing of finance is of course viewed on a strictly case-by-case basis with tailored terms and conditions.

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European flight activity down sharply

The latest report on European business aviation from Hamburg-based intelligence specialists WINGX Advance shows a steep reduction in overall flight activity. Year-on-year figures for January 2015 show a 5.8% reduction – 49,929 corporate aviation flights. Business jet traffic was down 7% and turboprop flights by just over 1%. The total figure is comparable to the dark days of January 2009, just after the economic crash. The figures for Western Europe overall reduced by 4%, with Germany showing a reduction of nearly 10% and Switzerland 6%. In France and Italy, the news was a little more positive with falls of 2% and 3% respectively. The figures for Eastern Europe reflected startling reductions, perhaps to be expected. Flights in Ukraine fell by 59%, in Russia by 23% and in Austria (which relies on Eastern European business) by 17%.

Aero India 2015 and the missing manufacturers

This year's Aero India show, which opened on 18 February at the Yelahanka Air Force base in Bengaluru, was noted more for the corporate aircraft manufacturers who were absent than those actually exhibiting. Although Dassault displayed both the Falcon 7X and 2000LXS, neither Gulfstream nor Bombardier brought any aircraft to the event. The reason for their absence has not been confirmed but industry analysts have speculated that government restrictions have led to reduced optimism and perception of the Indian corporate aircraft market. These restrictions include large import duties on aircraft for private use and the challenges of private aviation infrastructure, which has been slow to develop.

Corporate Aircraft News

In another significant landmark for the Swiss manufacturer, Pilatus Aircraft delivered the 1,300th PC-12 in a ceremony on 23 February. The aircraft, a PC-12NG, is the fourth example to be handed over to US company Surf Air – an innovative operator established as a private air travel club providing frequent flyers with unlimited flights over particular routes for a set monthly fee. Surf Air last year placed an order for 15 PC-12NG, with options on a further 50.

The delivery comes as the manufacturer commences ground testing of its new PC-24 versatile light jet. The aircraft is due to make its first flight in May 2015.

French manufacturer Daher-Socata announced a major rebranding at its annual press briefing on 25 February. The firm will now be known simply as Daher and will drop the use of Socata, which has been part of the brand since 1966. The company manufactures the TBM range of turboprop singles including the TBM-850 and the new TBM-900.

On 3 March, Airbus Helicopters unveiled its new medium twin helicopter at Heli-Expo 2015 in Orlando. The H160 has been developed to compete directly with the AgustaWestland AW139 and will offer accommodation for up to 12 passengers. The totally new design will feature a fully composite airframe, Blue Edge main rotor blades and Helionix avionics suite. The aircraft is slated for its first flight later this year with initial customer deliveries due in 2018.

On 25 February Sikorsky confirmed that it had received EASA certification for the VIP version of the S-76D helicopter. The S-76D which received baseline certification from the FAA in 2012 features advanced avionics and efficient PW210S powerplant.



AIRCRAFT FACT FILE \\\

Gulfstream III



CATEGORY

Large Size Jet

MANUFACTURER

Gulfstream Aerospace, USA

ENGINE

2x RR Spey RB.163 Mk 511-8 turbofans

LENGTH

25.32 m

WINGSPAN

23.72 m

RANGE

6,760 km

MAX. SPEED

928 km/h

SEATING CAP.

19

NO. OF CREW

2

MAXIMUM TAKE-OFF WEIGHT (MTOW)

31,615 kg

DESCRIPTION

A total of 202 Gulfstream IIIs were built from 1979 to 1986 when production ceased. The GIII was a development of the GII and the prototype first flew in December 1979, with customer deliveries commencing early the following year. The GIII offered a new and larger wing, winglets, a fuselage stretch of 97cm, a redesigned nose and new fuel tanks providing greater capacity and therefore range. The GIII was replaced by the larger Gulfstream IV, which offered much quieter and more efficient Roll-Royce Tay turbofans.

The number of GIIIs remaining in service is dwindling due in a large part to ever increasing noise restrictions, which necessitate costly modifications to the Spey powerplant. European operations are limited to government aircraft.