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The Latin American market on show - LABACE 2018

There is a “wave of renewed interest in business aviation” in Latin America, according to one industry analyst. And LABACE, the Latin American Business Aviation Conference and Exhibition held at Congonhas, São Paulo, from 15 to 17 August, sought to ride that wave.

This year’s event reflected renewed growth following a low point in 2016, which saw a slimmed down event mirror a rapidly contracting domestic Brazilian corporate aircraft fleet. The number of new exhibitors this year rose by some 20% while the space-constrained static display maintained last year’s tally of 47 exhibits.

The economic outlook for Brazil, which boasts the world’s second largest general aviation sector, remains fragile. Latin America’s largest country is limping out of a recession, but growth nearly screeched to a halt in the second quarter ahead one of its most unpredictable presidential elections in memory. Elsewhere, Argentina is facing an economic crisis and the political and financial meltdown in Venezuela is sending out shockwaves.

Despite these obvious challenges, OEMs are investing heavily – Dassault’s Falcon 8X and Gulfstream’s new G600 and the Cirrus SF50 Vision all made their event debuts. China also had a significant presence reflecting its hopes for the new AVIC Harbin Y12E and Y12F turboprop twin. Major panel discussions focused on a long touted strategy to improve logistical challenges for general and corporate aviation, along with ‘piracy’ – in terms of both illegal charters and spare parts.

Embraer Executive Jets - uncertainties

Market analysis by UBS Global Research has raised concerns over the stand-alone prospects for Embraer Executive Jets (EEJ), the business jet division of the Brazilian manufacturer, which is not included in Boeing’s proposed purchase of 80% of Embraer’s commercial aviation business. EEJ has been widely described as a ‘disruptor’ of the corporate jet market and the UBS report questions whether existing sales and profit levels can be maintained when it is separated from the ‘cushion’ provided by the commercial aircraft division.

EEJ delivered 109 corporate jets in 2017 but, the report notes, “Despite the growth in sales, the company has struggled with profitability. The business cannot continue to operate at a loss, especially if the commercial jet business is no longer helping to offset those losses.” It also raised concerns in respect of EEJ’s future market share. “They currently have no significant new products on the horizon,” it said, “and they will not be able to continue to undercut their competitors on price.”

Safran and Dassault agree settlement

Dassault Aviation and engine manufacturer Safran have reached terms following the cancellation of the former’s Falcon 5X project late last year, in what both sides described as an “amicable settlement”. The French aircraft manufacturer confirmed in its first-half results that it is to receive a total of \$280 million over three years, in addition to the cash contribution already paid by Safran. The Falcon 5X super midsize twinjet was cancelled following protracted issues with the Silvercrest turbofan. Originally announced in 2013, the Falcon 5X was slated for service entry in 2017 but continuing issues with the Silvercrest engine had pushed this out to 2020. Ultimately the 5X project was scrapped in favour of the Falcon 6X, which will be powered by Pratt & Whitney Canada PW812D turbofans.

European traffic continues to rise

European business aviation traffic continues to show a steady increase in growth according to the latest data published by Hamburg-based analyst WingX Advance. The headline figure for August saw a total of 83,230 departures, an increase of 2.4% over the same month last year and the highest level since the financial crash of 2008. A number of markets showed significant growth – Germany up by 9%, UK up 6% and Italy up 4%. However traffic from both Spain and France reflected declined YOY – by 4% and 3% respectively. WingX Advance MD Richard Koe said: “August showed a continuation of the now-familiar pattern for European business aviation activity: growing demand for charter flights but flat trend for private activity, and a surge in super-midsize jet activity.”

2017 - a safe year in Europe

European regulator EASA has published its annual safety review and the headline figure confirms that there were no serious accidents involving aircraft with an MTOW above 5,700kg in 2017. There were no fatalities in any accident between 2014 and 2017, although there were three serious injuries in a total of 22 non-fatal accidents in the longer period from 2007 to 2017. In 2017 there were no injuries at all despite a total of five serious accidents. In terms of fatalities, the business aviation sector recorded the lowest average number of fatal accidents in Europe.

AVIATION SERVICES HUB:

Corporate ownership

Leveraging the Sovereign Group’s wealth of experience in the provision of corporate services, RANA offers ownership solutions that are tailored specifically to aviation assets. We can recommend appropriate jurisdictions and corporate structures to provide asset protection, including tax and succession planning, as well as advising on the requirements and restrictions of particular registries.

The carefully planned use of a company structure – or special purpose vehicle (SPV) – can provide a number of distinct advantages to the owner of private aircraft or other types of aviation asset. Access to corporate limited liability and enhanced levels of confidentiality are the most obvious, but a company structure can also provide significant potential benefits in respect of estate planning, as well as simplifying any future sale of the asset, resulting in savings of time and cost. Sovereign will establish structures in jurisdictions worldwide that are best suited to the owner’s place of residence or domicile and the aircraft’s registration and intended usage.

ADS-B Out and the looming deadline

The US Federal Aviation Administration (FAA) has mandated that aircraft operating above 10,000 feet in the National Airspace System and helicopters must be equipped with Automatic Dependent Surveillance-Broadcast (ADS-B) Out equipment by 1 January 2020. According to analysis produced by MRO provider Duncan Aviation, 52% of the US-registered fleet of business aircraft has yet to receive the required installation. In terms of units, this equates to some 14,000 aircraft still needing the upgrade. In the face of industry enquiries, the FAA has confirmed that there is no expectation that the deadline will be extended.

This analysis comes on the heels of a large increase in worldwide sales of business aviation avionics, which increased by some 15.5% in the first half of this year. Some 57.5% of the \$1.3 billion sales came from mandated retrofits, including ADS-B Out.

EAA AirVenture - Oshkosh 2018

EAA AirVenture Oshkosh, the annual gathering of aviation enthusiasts sponsored by the Experimental Aircraft Association (EAA) at Wittman Regional Airport, Wisconsin, attracted some 600,000 attendees, more than 10,000 aircraft and some 867 exhibitor stands. Although business aviation is only a small part of Oshkosh, a number of manufacturers used the event to showcase new models and promote their offering. After unveiling the new Elite version of its HA-420 HondaJet at EBACE in May, Honda Aircraft used Oshkosh to give the Elite its North American debut. The manufacturer had previously used Oshkosh to unveil the original HondaJet in 2013. Textron Aviation also displayed a full mock-up of its new Cessna Denali turboprop single.

Bombardier large cabin market share

Bombardier's share of the large cabin business jet market is likely to exceed 40% by 2020 in terms of both value and number of units, according to estimates produced by Swiss bank UBS. The Canadian manufacturer's market share fell from a high of 40% in 2014 to as low as 33% in 2017. The new estimates are based on the service entry of the new flagship Global 7500 later this year, coupled with the introduction of the recently launched Global 5500 and 6500 in 2019. This increase in market share is likely to come at the expense of Gulfstream Aerospace, although the Savannah-based manufacturer is also likely to benefit from the addition of the G500 and G600 during the course of this year.

Corporate aircraft news

In mid-August, Airbus Corporate Jets rolled out the first ACJ320neo at its plant in Finkenwerder, Germany. The manufacturer currently holds six orders for the new variant of the ACJ320. The 'neo' - new engine option - allows the aircraft to be fitted with either the CFM International Leap-1A or Pratt & Whitney PW1100G, the most advanced engines on the market. The ACJ320neo also offers fuel-efficient 'sharklet' winglets and additional centre fuel tanks that give the aircraft a range of some 11,100km. The variant is expected to make its first flight later this month with the first delivery for cabin outfitting by the end of this year. The aircraft will then join the fleet of UK-based Acropolis Aviation.

Textron Aviation looks set to achieve certification for its new super-midsize Citation Longitude by the end of Q3 this year. The US manufacturer has received temporary exemption from an FAA requirement to incorporate modifications relating to fuel tank flammability. The exemption runs until 31 January 2020, although a five-year period had been requested.

In a major boost to the programme, ExecuJet has announced that it will be the first company in Africa to manage and operate the groundbreaking Pilatus PC-24. The so-called 'Super Versatile Jet' is designed to operate out of remote and challenging airstrips. Gavin Kiggen, Vice President Africa, ExecuJet, said: "Africa is the perfect environment for the PC-24, with its testing terrain and challenging runways, and we are honoured to be the first business aviation operator to manage the aircraft in the region."

Gulfstream Aerospace has confirmed that the G600 has commenced field-performance testing as the next step towards receiving FAA certification, which is due to be achieved before the end of this year. There are currently five flight test vehicles (FTVs) involved in the pre-certification programme, which have together accumulated some 600 flights and 2,290 flight hours.



AIRCRAFT FACT FILE \\\

Bell 429 GlobalRanger



CATEGORY

Helicopter

MANUFACTURER

Bell Helicopter, USA

ENGINE

2 x P&WC PW207D1 turboshaft

LENGTH

12.70 m

ROTOR DIAMETER

10.97 m

RANGE

722 km

MAX. SPEED

287 kmh

SEATING CAPACITY

7

NO. OF CREW

1

MAXIMUM TAKE-OFF WEIGHT (MTOW)

3,175 kg

DESCRIPTION

The Bell 429 Global Ranger is promoted by the manufacturer as offering "exceptional speed and class leading performance" and "designed with the future in mind". The 429 made its first flight in late February 2007, however FAA certification was delayed until mid-2009. Initial deliveries took place shortly after the Singapore Air Show in February 2010 where the model was officially launched.

The 429 has become popular in a number of different roles including medevac, search and rescue (SAR), border protection and VVIP/corporate use. The GlobalRanger is popular in the latter role because it features rear clamshell doors that provide easy access to the capacious baggage compartment. It also offers a spacious interior (5.78m³). Its main rotor features four blades and an X-type tail rotor. In terms of avionics, the GlobalRanger features Bell's Basix-Pro system, which offers two/three multi-function displays, dual digital three-axis autopilot and an integrated electronic data recorder.