

# Business Aviation Forecast



A Bombardier Global Express shortly after take off

## Slow near-term growth

The business aviation industry continues to face a slow near-term pace of orders owing to slow-growth across many global markets along with many political uncertainties, according to the 25th annual *Global Business Aviation Outlook* released by Honeywell. This forecasts up to 8,600 new business jet deliveries worth \$255 billion from 2016 to 2026, which represents a 6 to 7 percent reduction from that noted in the 2015 forecast. “We continue to see relatively slow economic growth projections in many mature business jet markets. While developed economies are generally faring better, commodities demand, foreign exchange and political uncertainties remain as concerns,” said Brian Sill, president, Commercial Aviation, Honeywell Aerospace. “These factors continue to affect near-term purchases, but new survey responses indicate there is improved interest in new aircraft acquisition in the medium term, particularly in the 2018–19 period. In the meantime, operators surveyed indicated plans to increase usage of current aircraft modestly in the next

12 months, providing some welcome momentum to aftermarket activity, which has been flat recently.”

Deliveries of approximately 650 to 675 new jets took place in 2016, a low- to mid-single-digit percentage decline year on year. This comes after a small increase in 2015 and was largely due to slower order rates for mature models and a stabilisation in fractional-usage type of aircraft deliveries. The 2017 deliveries are projected to be slightly lower, reflecting transition to new

models slated for late 2017 and 2018 service entry. Operators plan to make new jet purchases equivalent to about 27 percent of their fleets over the next five years as replacements or additions to their current fleet, an encouraging increase but one that is less than firm on timing. Of the total purchase plans for new business jets, 21 percent are intended to occur by the end of 2017, while 18 percent are scheduled for 2018 and 2019, respectively. Operators will continue to focus on larger-cabin



Source: Honeywell Aerospace