



BIZJET BROKER SEES MARKET BOOST FROM SOUTH EAST ASIA

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Despite challenges in the Chinese economy, Asia-Pacific will account for 12 percent of worldwide business aircraft deliveries through 2024 with South East Asia helping bolster the market, according to the Jetcraft brokerage group.

In its recent 10-year Market Outlook, Jetcraft (Stand U63) predicted a global market for 8,755 business aircraft valued at \$271.1 billion through 2024. North America will remain the dominant region, accounting for 4,728 units, or 54 percent of the deliveries. But Asia-Pacific will continue to gradually increase its share, with buyers taking delivery of 1,050 units.

China remains a driver of deliveries in the Asia Pacific market. “However, with China’s \$10 trillion economy now decelerating...there are serious issues looming,” Jetcraft warned, pointing to efforts of the government to “deleverage” the debt-laden economy. The reforms have meant a shift away from government-backed infrastructure investment, putting airport development in jeopardy, Jetcraft fears.

Other Chinese government reforms, including the clampdown on corruption, have “had the

unintended effect of suppressing what is deemed to be any overt display of ‘ostentatious’ wealth, including business aircraft,” Jetcraft said. “This has hurt legitimate companies that use business aircraft as a tool to compete internationally and, more importantly, driven ultra HNWI’s [high net worth individuals] away from the region.”

Jetcraft’s report identified similar problems in India in terms of limited infrastructure and bureaucratic obstacles to growth, but it believes South East Asia has more promise. “The hope is that some of the more prominent South East Asian economies such as Singapore, Indonesia, Malaysia and Thailand (all of which have customers with long track records in business aviation) can, in part at least fill the vacuum until at least China’s economy stabilizes,” Jetcraft said.

“We are seeing momentum happening in South East Asia through its key business aviation hubs such in Singapore, Malaysia and Indonesia,” added David Dixon, president of Jetcraft Asia.

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