



AIR PARTNER'S PREDICTIONS FOR THE PRIVATE AVIATION MARKET

News / Business aviation



“Air Partner’s Private Jets division in Europe continues to grow steeply, breaking our previous sales records from before the banking crisis. In fact, at the half year results, the group reported a record H1 for Private Jets. We very much hope that our commitment to world class customer service and unwavering focus on quality will see this growth trajectory continue.”

“Post the banking crisis the fortunes of the European charter fleet has polarised. The largest cabin private jets - the Global or Ultra Long Range jet - continue to see steadily increasing demand, fuelled by Europe’s growing population of Ultra-High Net Worth Individuals. At the other end of the spectrum, the turbo-prop and entry-level jet options have witnessed sustained demand, gaining from both the new entrants and the down-sizers. However, the relatively weak demand for corporate roadshow missions and related business trips has impacted the mid-size market most, and this has been slowest to recover, and we expect this will continue to be the case.”

“Why doesn’t the Uber model work yet with aircraft charter? It’s much more than just inertia. Firstly, it is a hugely fragmented, yet tightly regulated, market with prohibitive capital costs involved for any prospective aircraft owner. Secondly, the technology simply isn’t there yet and human input is still required in the booking process. So while online brokers are growing in profile and we’re

watching the space with interest, they can't survive without professional brokers just yet and their offer still isn't right for everyone."

"In the near term, expect real lasting technological advances to reveal themselves more subtly, in such things as customer payment portals, account/flight management apps and the recognition and integration of the smart phone as the customers' preferred source of information going forward. These will all add convenience to the passenger experience in coming years. In terms of the technology of the jets themselves, it is reasonable to expect continuous evolutionary (not revolutionary) change here. On-board communication, catering and entertainment options are expanding fast and these advances filter down quickly to the charter market."

"Improvements to avionics and engines mean ever greater performance for the more modern jets arriving in the market. But overall, supply still outstrips demand for new jets and the manufacturers are struggling post-2016 to build a business case to justify the development of entirely new airframes. So we won't see Formula 1 rates of technological development in the near-term."

"Air Partner looks to celebrate the work of those operators who invest in the highest operational standards and provide the commercial incentive for other operators to follow their good example. Towards that end, Air Partner is actively working with Baines Simmons, our aviation safety consultancy company, and a number of key partner operators to explore the development of a new, ground-breaking system for supplier accreditation. We hope that this is a trend that others will follow."

By Richard Smith, Head of Products, and Vincent Kavanagh, UK & European Sales Director - Private Jets

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