



## UBS: BIZJET MARKET AT WEAKEST POINT SINCE 2009

News / Business aviation



**UBS Global Research’s latest business jet market index fell to its lowest level since 2009, when the industry was just starting to recover from the Great Recession. The firm’s index is down 4 percent from February, currently sitting at 29. This is “well below” 50, the threshold that determines strengthening (above 50) or weakening (below 50) conditions, UBS said.**

Crucially, customer interest in North America dropped to 48 in the latest survey, below 50 for the first time since briefly in 2013, indicating “sequential deterioration,” noted UBS aerospace analysts David Straus and Darryl Genovosi. “Meanwhile, all other regions remained well below 50, indicating incrementally weakening conditions.”

By category, the midsize jet index is the highest at 31 (-3 percent), followed by light jets at 30 (-9 percent) and large-cabin jets at 27 (up 3 percent). UBS’s “straight up” measure of absolute business conditions fell to 4.0, down 7 percent from February and below the 5.0 threshold that delineates industry growth from recession.

UBS’s index is based on surveys of industry professionals, including business jet broker/dealers, manufacturers, fractional providers and financiers. Roughly 62 percent of survey respondents cited a “significant negative impact” from emerging market weakness and/or currency devaluation. Of those, 77 percent identified large-cabin jets as the most affected by these factors, while 17 percent cited midsize jets, with the remainder citing light jets.

One survey respondent summed up the situation succinctly: “The market is slowing down. There is plenty of cash out there, but too much instability going on in Europe with the refugee crisis. Asia is

slow, the Middle East is in turmoil, Brazil is in chaos with its president, Russia is very weak, and the U.S. is holding back due to Presidential elections, so 2016 is going to be a slow year.”

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**SOURCE: AIN**

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