

UBS SEES SLUGGISH USED BIZJET DEMAND

News / Business aviation



The worldwide inventory of used business aircraft rose by one percent in September, representing 11 percent of the installed base, according to the latest report by **UBS**, which noted that this total is still below the historical average of 13 percent. While young aircraft (0 to 10 years old) inventories rose by 2 percent, available very young aircraft (0 to 5 years old) dropped by two percent, and have declined by 12 percent over the past year overall. The number of six- to 10-year old aircraft for sale has risen by 20 percent, though only 7 percent of the young fleet in North America is available for sale.

The financial company's most recent business jet industry survey notes continuing softness in the large-cabin segment, attributable largely to sagging demand from the emerging markets. Roughly 61 percent of the survey respondents cited a significant negative impact from weakness in emerging markets and currency devaluation, and 62 percent cited large-cabin aircraft as the most affected.

"We believe the recent decline in our survey along with stagnant flight activity is indicative of continued bizjet weakness, particularly in the high end of the market," UBS concluded. "We ultimately see the market improving on pent-up corporate replacement demand in North America."

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