ANALYST PREDICTS MORE BIZJET SHIPMENTS, LOWER VALUES

News / Business aviation



A new business jet forecast released today by industry analyst Brian Foley predicts the delivery of 8,594 business jets worth $238 billion over the next decade. While the number of units is increasing, Foley expects the mix to contain less costly light and midsize jets and fewer more expensive large-cabin aircraft, meaning that values could decrease or remain flat at best.

“Common sense dictates that as more jets are sold, the industry’s total shipment values go up,” he noted. “That may no longer be the case for the time being.” Although more light and midsize jets are expected to be sold, “You have to sell up to 10 of them to offset the value of just one big Gulfstream lost sale,” Foley said. The net effect is that over the next couple of years more units will be shipped without moving the needle on overall industry value, he added.

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“Dollars have always been the more relevant health metric than units,” Foley pointed out. “From this perspective the business jet recovery, although verifiable from an increasing unit perspective, is perhaps for now just running in place.” He doesn’t expect this “anomaly” to rectify itself until 2018, when several new large-cabin models from Dassault, Bombardier and Gulfstream will enter the market.

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