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Forecasts predict business aircraft deliveries to peak in 2009

By [Kate Sarsfield](#)

Business aircraft deliveries will peak next year following five years of dramatic growth, but a downturn is expected to follow in 2010 according to two long-term forecasts released at the show.

Honeywell Aerospace says around 17,000 new business aircraft valued at \$300 billion will be delivered between 2008 and 2018. This year marks the fifth consecutive year of industry expansion since the last industry slowdown in 2003, says the engine and avionics manufacturer, boosted by demand from burgeoning international markets, branded charter and jet card programmes.

"For 2008, **Honeywell forecasts** deliveries of nearly 1,200 new business jets for the first time in **aviation history**, up from 1020 in 2007, a 15% increase, despite an uncertain economy in North America. Deliveries in 2009 are expected to range between 1,300 and 1,400 jets depending on how quickly several new programmes are able to ramp up," the company says. Honeywell cautions however that while record deliveries will continue into 2009 "they are likely to peak next year or in 2010".

"Year to date new jet orders have risen around 25% over first half of 2007, however a sizeable portion of these orders are for new models entering service in 2012 and beyond," says Honeywell. "Order intake will moderate to more sustainable levels in the second half of 2008 and into 2009. Nevertheless, available measures of total industry book-to-bill ratio are still running at or over two-to-one so far in 2008," it says.

International demand now accounts for up to 55% of the new aircraft purchase plans projected over the next five years. Coupled with very high order rates from non-US customers over the past few years already reflected in the existing backlog, the regional mix of deliveries will continue to reflect this global shift in share.

Purchase expectations increased in North America and Latin America, declined moderately in Europe and the Middle East and fell more noticeably in Asia. Fractional ownership, jet card and branded charter providers "continue to provide a substantial portion of total industry demand", says Honeywell. Fractional fleet operators alone account for about 12% of the backlog for business jets - despite a flattening in the purchase of new aircraft shares - and are expected to take delivery of between 90 and 150 aircraft annually through the forecast period.

In its latest report aerospace analyst **Forecast International** projects 15,936 business jets, worth an estimated \$223 billion, will be produced from 2008 through 2017. Nearly 1,400 business jets will be produced in 2008 and 1,600 more units in 2009, it says. Annual production will suffer a three-year decline, dropping to a level of 1,515 units by 2012. Growth is expected to resume in 2013, with yearly production exceeding 1,700 units by 2017. "The warning signs are appearing that seem to indicate a market downturn is on the way," says Forecast International.

- [To view Honeywell's market forecast as a PDF click here](#)
- [View Flight's 2008 Business aviation census](#)

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