According to our analysis, through Jetcraft’s recently published, first-ever 10-year Business Aviation Market Outlook, 8,755 new aircraft will be delivered between 2015 and 2024, generating revenue of $271.1 billion, with 54% of the new deliveries going to North America (4,728 aircraft). The U.S. has the largest base of current owners, among the highest number of airports in the world and adequate infrastructure support for private aviation, all factors contributing to the industry’s ongoing growth.

Worldwide, the 8,755 annual delivery totals we predict are set to rise at a compound annual growth rate (CAGR) of 7.4% to 1,127 aircraft in 2021, from 735 in 2015. Regionally, we project Europe to account for 14%; the Asia-Pacific region to achieve 12%; Latin America at nine percent; Russia and the CIS at five percent; followed by the Middle East and Africa, each with three percent.

It was not too long ago that all eyes were on the Asia-Pacific region to be a regional driver for growth. Some of the softening of Asia-Pacific overall is due to the recent slowdown of the fast pace of economic growth in China, the nation that has been the primary driver of aircraft orders across the region.

Even so, some growth is occurring in the Asia-Pacific region, just not as fast as some had expected. Many lenders who are willing to invest in Asian accounts realize that markets and aircraft values have normalized to some extent. We are also seeing strong demand in key business aviation hubs such as Malaysia, Indonesia and Singapore. The region is forecast to deliver 1,050 units.

Russia and the CIS is a region that has historically favored high-value, wide body product lines. Recent activity there has generally trended toward downgrades and purchasing of pre-owned aircraft, displacing what otherwise would have been new aircraft transactions.

The EMEA region will contribute 20% to the total aircraft deliveries market, representing 1,751 units combined for Europe, the Middle East and Africa.

Latin America is predicted to experience some growth, with 788 units delivered through 2024. An important development to note is that within 24-36 months, the forecast indicates that a rebound in commodity prices will help to pull the region from recession, alongside an improved political climate.

For aircraft, ultra-long-range jets are expected to command the greatest revenue share ($271.1B) throughout the forecast period and large aircraft are expected to achieve the lowest growth.

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Local journalists and broadcasters were given a sneak preview of BGR’s new ticketing and passenger check-in center prior to its December public unveiling. The behind-the-scenes tour, led by Superintendent of Operations Robbie Beaton, included the airport’s new baggage handling system.

The newly remodelled center forms part of a more extensive refurbishment of the domestic terminal’s first floor. Costing some $14 million and spread over two years, the refurbishment will make operations much more efficient for everyone, says Beaton. “Passengers will certainly notice a difference, as will the airline and TSA employees,” he claims. “The remodel will improve passenger flow, as well as the overall passenger experience, both outbound and for those flying in to BGR. "Airline ticket counters have been relocated so that when passengers deplane they will have the baggage reclaim area and the car rental agencies all within easy access.”

Two separate industry reports provide just cause for optimism as a new year dawns. Honeywell’s highly respected Global Business Aviation Outlook predicts a move towards larger-cabin aircraft, expected to represent more than 80% of expenditure on new business jets in the near term, while a similar market analysis by Jetcraft, the basis of our lead article in this issue, forecasts ongoing growth in all regions over the next 10 years, with more than half of new deliveries going to North America.

BGR is well placed to accommodate such growth. It is more than two years since the pads within the airport’s GA sector were reinforced, enabling even the largest of corporate jets to be parked.

Meanwhile, the opening of our new ticketing and passenger check-in center marks the first phase of the airport’s $14 million makeover, scheduled for completion later this year.

Elsewhere in ‘Contrails’ we report on this year’s centennial celebrations to commemorate the founding of Acadia National Park, a jewel in Maine’s crown and well worth a detour if time permits. And if your schedule allows only for a ‘tech stop’ visit, be sure that your catering order includes Maine lobster, another great reason for stopping by and enjoying something of a boom currently.

Finally, on behalf of all my team here at Bangor International, we thank you for your continued business throughout the past year and wish you a happy, peaceful and successful 2016.
Maine attractions

Last year’s Maine lobster harvest weighed 124 million pounds, almost double the catch a decade ago and six times more than the 1984 haul. Which is just as well, given its growing popularity.

Once the preserve of the well-heeled, the king of crustaceans is enjoying something of a boom at the dining table, finding its way into lobster rolls, food trucks and even some McDonald’s menus.

Despite its widespread availability, Maine lobster remains one of the major visitor attractions of Bangor and the surrounding area. Rightly so, says BGR Marketing Manager Risteen Bahr. “It’s by no means uncommon for some VIP passengers to deplane in Boston, New York and other north-eastern locations, while their pilot and crew fly on to Bangor International for a couple of days to refuel and take on fresh lobster for the journey home, ensuring that the quality and choice of food on board their luxury aircraft is every bit as good as the world-famous restaurants they are used to.

“Around 85% of lobster caught in the US is landed in Maine but its reputation extends way beyond these shores,” she adds.

BGR on show

The BGR sales and marketing team will be spreading the word during 2016, with attendances planned at many of the leading trade shows.

First up is the NBAA Schedulers & Dispatchers Conference in Tampa, Florida, “the premier professional development event for anyone with responsibility for scheduling and/or dispatching business aircraft”.

Next is Routes Americas 2016, the route development forum for the Americas, taking place in San Juan, Puerto Rico in February.

May sees BGR’s return to the annual European Business Aviation Convention and Exhibition (EBACE), taking place in Geneva, Switzerland.

In October, the International Air Cargo Forum, the key event for air cargo professionals, returns to Paris, France after 18 years, where the BGR team looks forward to reinforcing the airport’s growing reputation as an ‘economic tech stop’.

“It’s a full calendar,” says BGR Marketing Manager, Risteen Bahr. “As always, there will be a warm welcome for all visitors to the BGR booth, whichever show they attend.”

WOW award reflects customer commitment by airport’s FBO

Bangor Aviation Services, BGR’s ground handling and services division, was presented with the ‘WOW’ award by United Airlines for its outstanding service to the airline’s multiple diversions to Bangor during the last several months.

Commenting on the award Andrew J. Pratt Jr., Regional Performance Manager for United Express operations said: “United Airlines is pleased to recognize our partner Bangor Aviation Services for their commitment to our customers.”

Commenting in response, Bangor airport Director Tony Caruso said: “We appreciate this acknowledgement of our employees’ dedication, hard work and good customer service when the unexpected happens. BGR handles many diversions in the course of a year. We strive to make every flight’s experience in Bangor a good one, whether scheduled or not. It is nice to be recognized for our efforts.”

Bangor International deals with more than 100 diversions every year. The airport’s long runway, professional and experienced staff and its history of always being open and ready for any aircraft in operation globally, along with its strategic location, contributes to BGR’s industry reputation of being a good diversion point when necessary.

“We have a very experienced staff. They handle diversions as a matter of course. We are always ready and able to handle any flight that comes through Bangor, whether they have been on the schedule for a week or they give us 20 minutes notice,” remarked Assistant Airport Director, James Canders, who oversees those diversions recognized by United.
Why not stay awhile?

Bangor International’s reputation as a diversion destination for aircraft experiencing medical or mechanical emergencies, adverse weather conditions, air rage or similar disruptions to normal flying conditions, is well documented.

Less well appreciated, perhaps, are the other reasons for traveling to BGR – not least the many attractions that Maine has to offer, among which Acadia National Park ranks high. And this year there’s an even more compelling reason to visit New England’s only national park, as Acadia celebrates its centennial.

Founded by President Woodrow Wilson in 1916 as Sieur de Monts National Monument – the first unit of the national park system located east of the Mississippi River and the first created by donations of private land – Acadia is one of 59 national parks administered by the National Park Service, established to protect important aspects of the American heritage.

Situated on Maine’s Mount Desert Island, Acadia is a 47,000-acre Atlantic coast recreation area primarily. Its landscape is marked by woodland, rocky beaches and glacier-scoured granite peaks like Cadillac Mountain, the highest point on the United States’ East Coast. Among the wildlife are moose, bear, whales and seabirds.

A park like no other

Describing Acadia’s treasures the specially created website to commemorate the centennial: www.acadiacentennial2016.org, refers to Acadia as ‘a jewel of granite mountains, filigreed coastlines, forested valleys, meadows and marshes, unique cultural resources, dazzling night skies, and precious communities of plant and animal life. These weave together to create a national park like no other. Acadia’s landscape holds human history as well, from Native Americans and European explorers to seafaring and homesteading residents and seasonal populations of “rusticators”, artists and conservationists.’

The historic tourist town of Bar Harbor, around one hour’s drive from BGR, is a picturesque and popular gateway to Acadia, with soft sandy beaches, granite cliffs, a slew of activities for the outdoor enthusiast and restaurants and shops for the less energetic.

Acadia National Park

“With yearlong celebrations planned for 2016, no matter when you plan your visit there will be no shortage of interesting things to see and do,” says Bangor International’s Marketing Manager, Risteen Bahr. “Visitors will get a glimpse of how much Acadia has inspired Mainers to care about New England’s only national park.”

Engine OEM segments

In addition to regional aircraft class examinations, our decade-long forecast also assesses the avionics and engine OEM segments. Our forecast includes these components because they are a vital part of the business aviation ecosystem, and valuable indicators of future products and industry prospects. For the revenue calculations, we examined the prices of engine shipsets and flight decks as a percentage of each list price for every model.

Our outlook predicts that by 2024, Pratt & Whitney Canada’s (PWC) engines are slated to power every single segment in business aviation – from very light to ultra-long-range aircraft. This increase in the Canadian OEM’s business will narrow the gap between PWC and market leader Rolls-Royce to around $3 billion in revenues. In the avionics arena, Honeywell, Rockwell Collins and Garmin will collectively achieve $7 billion in revenues, with Honeywell maintaining the top sales position.

These are just a few highlights of Jetcraft’s market assessment. The business aviation sector that will emerge through the next decade will be inevitably different and time will tell as to what will ultimately usher the industry into a new business era. We believe the buyers and sellers should still engineer deals where they can, but they should always be done with strict financial discipline. The ultimate goal should be for us all to be more effective companies through a better understanding of our market.

Chad Anderson leads Jetcraft’s overall operations and growth strategy.