

# Business Jet Aircraft Industry Structure and Factors Affecting Competitiveness

United States International Trade Commission  
September 28, 2011

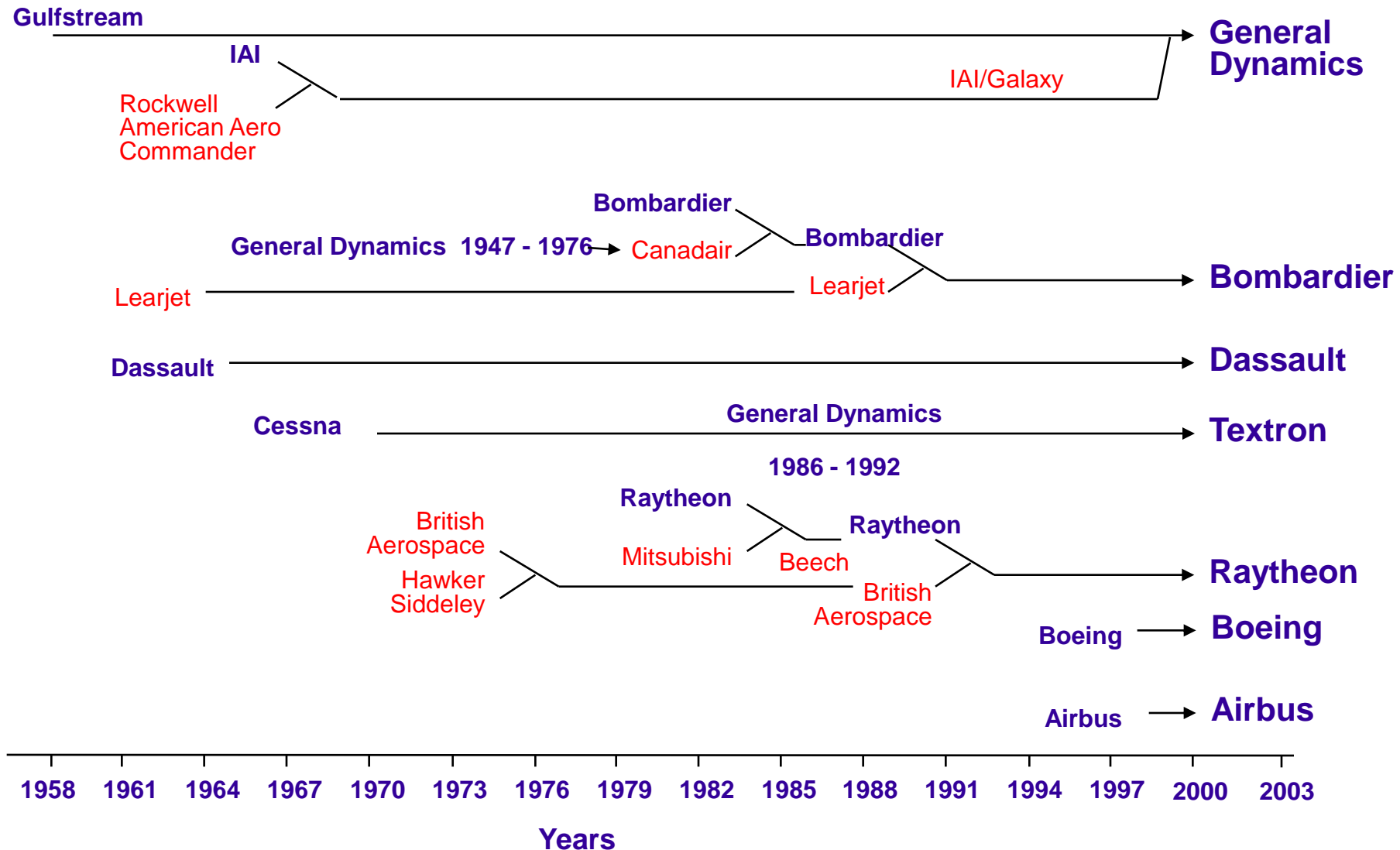
Mike Chase  
Chase & Associates  
"Knowledge is Power"

# The Business Jet Market

Since 1955, Business Jet manufacturers has seen a reduction in the number of companies from 19 to 7 in 1999. This reduction has come about as a result of both consolidation and stopped production.

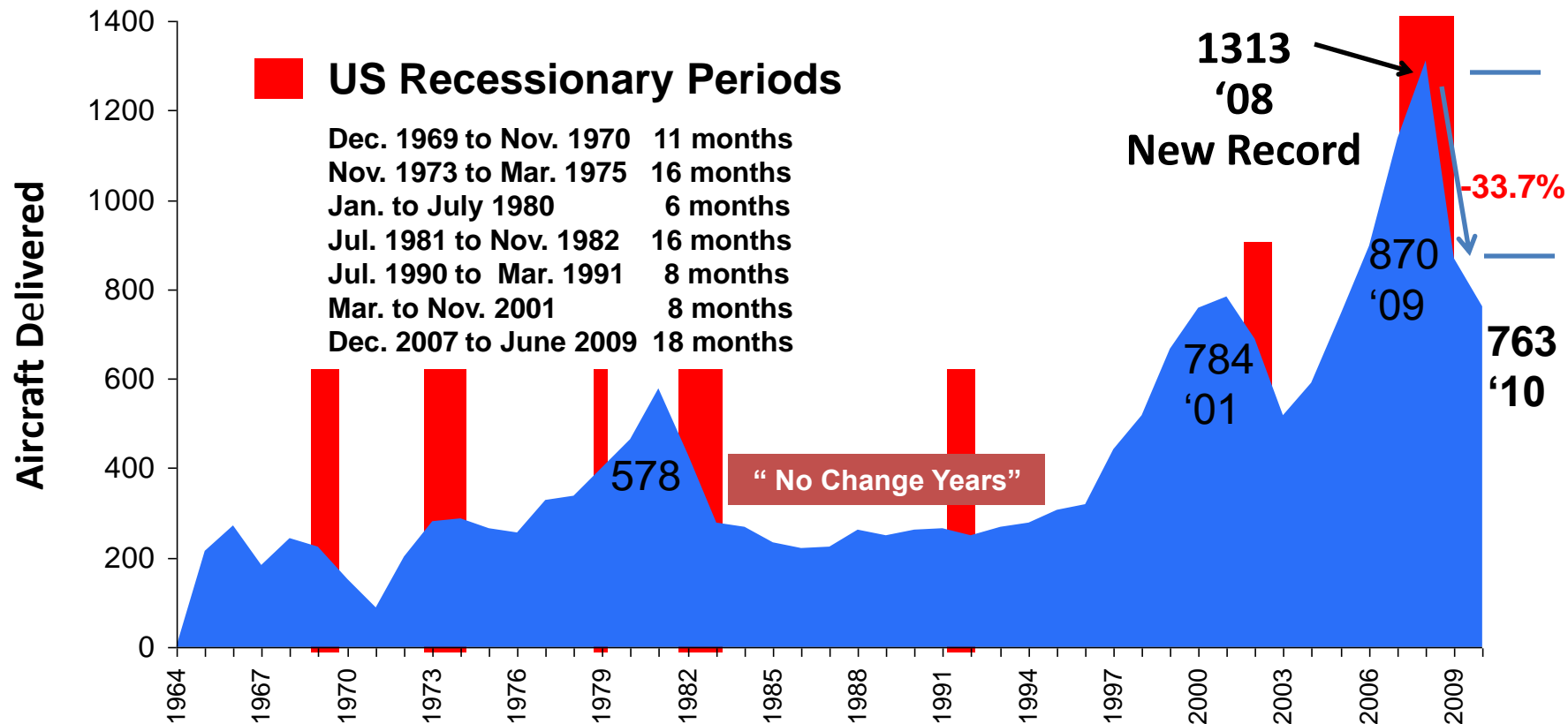
No.	<u>Airframe</u>	<u>Years</u>			
		<u>From</u>	<u>To</u>	<u>Comments</u>	<u>Current Owner</u>
1	Morane-Saulnier	1955	1967	<i>Stopped Production of the Paris Jet</i>	None
2	Gulfstream	1958	Current	Produces Large Cabin Corporate Jets	General Dynamics
3	Lockheed Jetstar	1961	1980	<i>Stopped Production of the Jetstar</i>	None
4	Rockwell	1963	1982	<i>Stopped Production of the Sabreliner</i>	None
5	Lear	1963	Current	Produces Mid & Small Cabin Corporate Jets	Bombardier
6	Hawker-Siddeley	1964	1976	Produced Mid & Small Cabin Corporate Jets	Raytheon
7	Dassault*	1965	Current	Currently produces Large, Mid Cabin Corporate Jets	Dassault
8	Messerschmitt-Bolkow-Blohm	1966	1982	<i>Stopped Production of the Hansa Jet</i>	None
9	IAI	1969	Current	Produces Mid-Cabin Corporate Jets	General Dynamics
10	Piaggio	1969	1972	<i>Stopped Production of the PD-808</i>	None
11	Cessna	1971	Current	Produces Mid & Small Cabin Corporate Jets	Textron
12	Aerospatiale	1973	1981	<i>Stopped Production of the Corvette</i>	None
13	British Aerospace	1977	1992	Produced Mid Cabin Corporate Jets	Raytheon
14	Canadair	1980	Current	Produces Large Cabin Corporate Jets	Bombardier
15	Mitsubishi	1982	1987	<i>Stopped Production of the Diamond</i>	None
16	Beechcraft	1985	Current	Produces Small Cabin Corporate Jets	Raytheon
17	Bombardier	1986	Current	Produces Large, Mid & Small Cabin Corporate Jets	Bombardier
18	Boeing	1998	Current	Produces Bizliner Corporate Jet	Boeing
19	Airbus	1999	Current	Produces Bizliner Corporate Jet	Airbus
* Dassault stopped producing their small-cabin aircraft in 1990					

# Business Jet Industry Consolidation



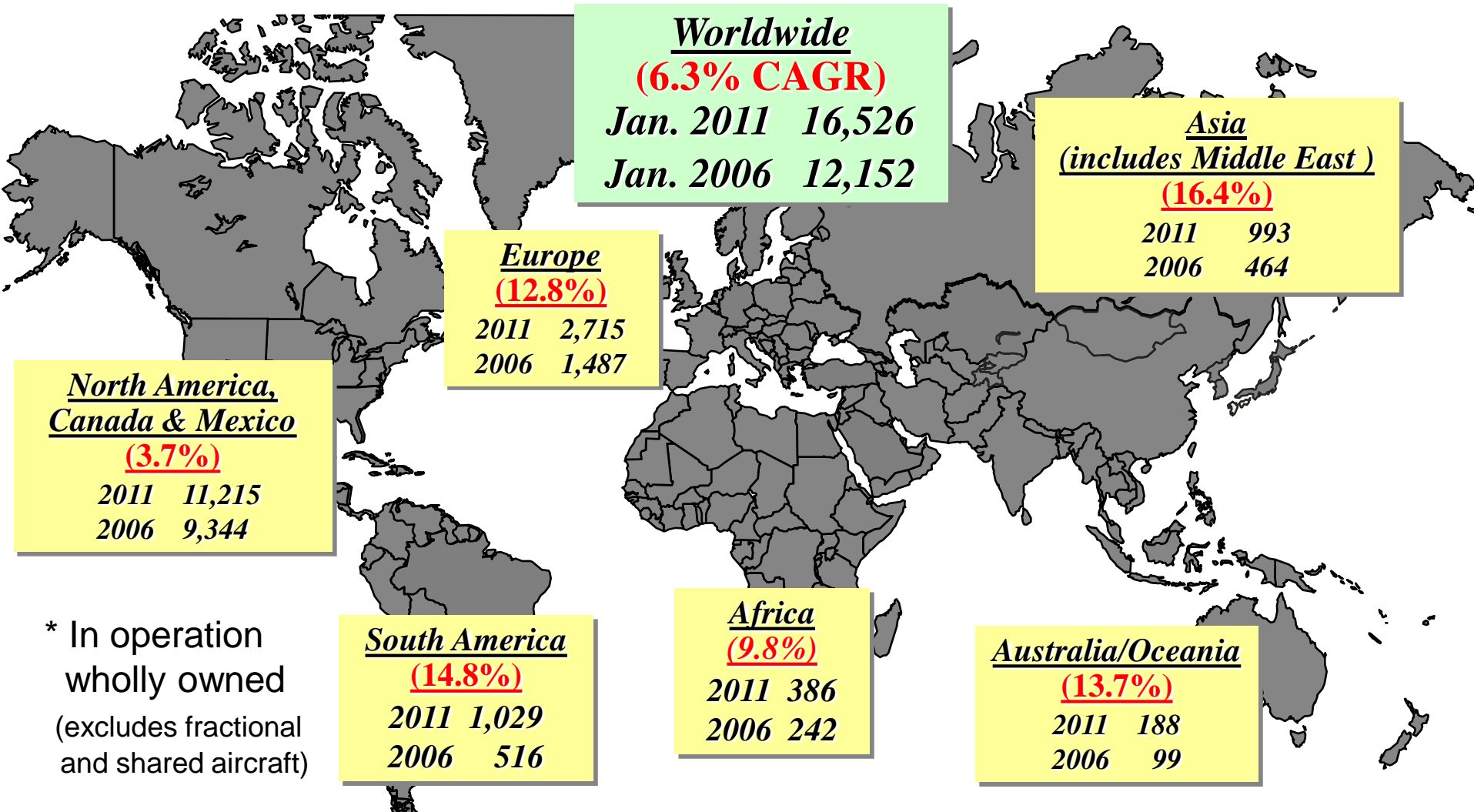
# NEW Business Jet Deliveries

1964 to 2010



New Business Jet Deliveries have been on a steady increase since 2003 with a new record in 2008. In 2009 declined 33.7% to 870. Again declining in 2010 at 763 just below the peak at 784 recorded in 2001.

# Worldwide Business Jets\* by Continent



\* In operation  
wholly owned  
(excludes fractional  
and shared aircraft)

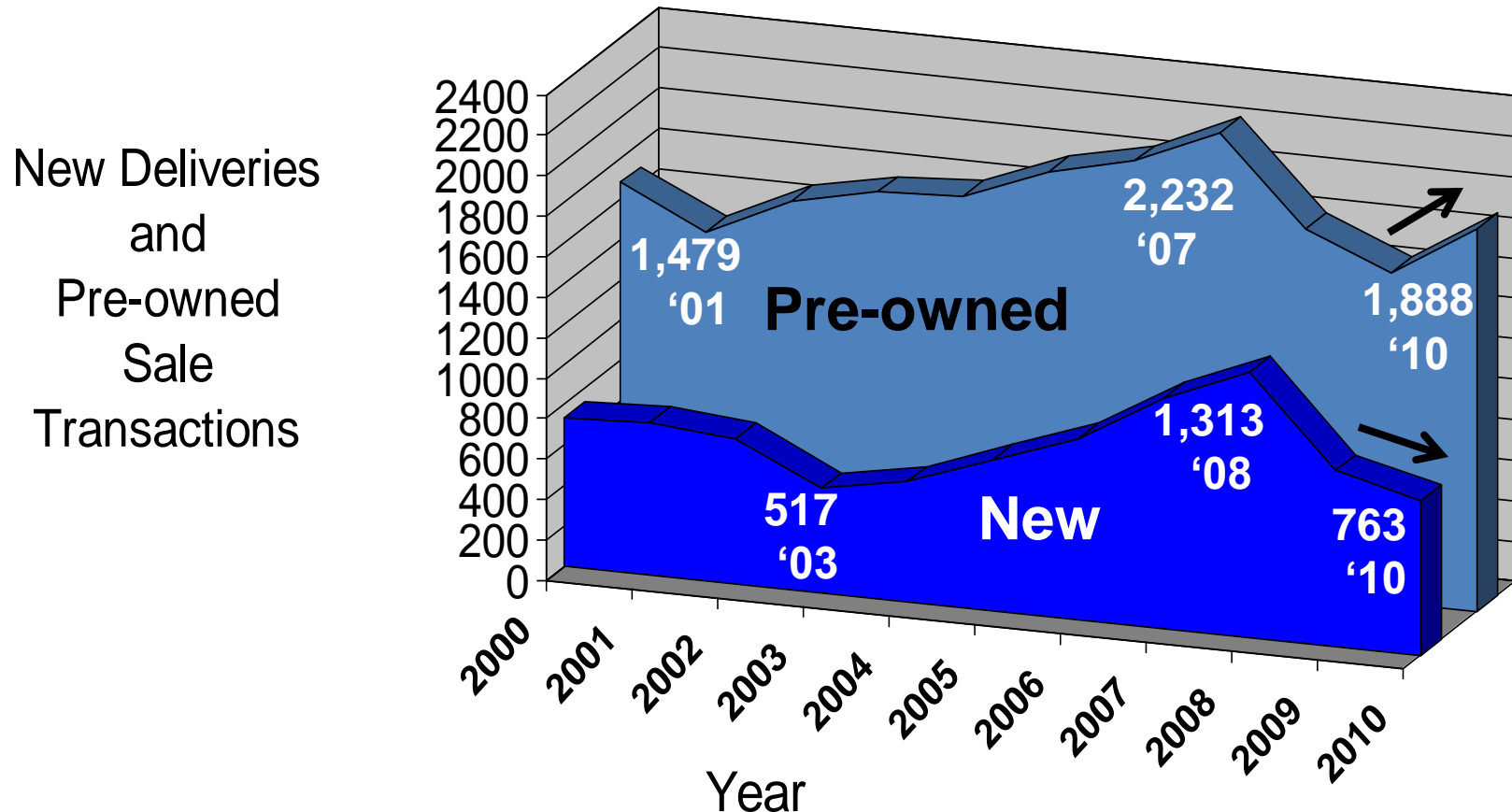
*In the past five years, the North America Business Jet Market has declined from January 2006 at 77% to 68% in January 2011 of the total worldwide business jets in operation*

# New versus Pre-Owned

- NEW business jet sales are driven by strong economic activity, corporate profitability, wealth creation, and business investment.
- It is important to understand that business jet markets tend to be bifurcated – purchasers tend to be either **NEW** aircraft buyers or **Pre-Owned** aircraft buyers.

# New and Pre-owned Business Jet Delivery Cycles are different.....

NEW DELIVERIES AND PRE-OWNED SALE TRANSACTIONS, WORLDWIDE



Source: GAMA – New; JETNET – Pre-owned  
Presentation and Analysis by Chase & Associates

# Are we there yet?



## How long is this going to take?

The reality is the current business down cycle will last "longer than you would like"

- But the good news is that we are on the right track.



# **“Not only is Business Aviation Good For America, It is Essential For America”**

An American Perspective by Dave Higdon

***“The best thing about the future is that it comes only one day at a time” – Abraham Lincoln***

Mike Chase

Chase & Associates

Dallas, TX

Web Site: [www.mdchase.aero](http://www.mdchase.aero)

Cell Phone : 214-226-9882

Email: [mike.chase1@verizon.net](mailto:mike.chase1@verizon.net)

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