



RESILIENCE DESPITE CHALLENGES - BUSINESS AVIATION FORECAST Q1 2021

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With the start of a new year, new challenges and new opportunities begin to emerge. While commercial flights experienced a significant downfall in demand in 2020, with the global aviation industry experiencing losses amounting to \$118.5 billion, business aviation exhibited its resilience despite all the challenges. In Q1 2021, the sustained activity of private aviation is expected to continue its recovery to pre-COVID levels with business aviation hotspots such as Nice Côte d'Azur Airport, Paris-Le Bourget Airport, Geneva Airport and Ibiza Airport retaining strong aircraft departure counts during the pandemic when compared to 2019 figures. Nice Côte d'Azur Airport and Geneva Airport recorded 2,054 and 1,460 aircraft departures respectively in mid-2020 – a slight decrease from their previous figures of 2,453 and 1,478 departures in 2019. 2020 figures came with favourable conditions for business aviation MRO providers with a large share of that fleet activity being held by light and heavy jets designated under the Embraer, Bombardier Challenger, Global, Hawker Beechcraft, Falcon, and Gulfstream aircraft types.

Now, while quarantine measures and travel restrictions remain the biggest obstacles to recovery, the growing availability of vaccines is expected to open borders and catalyse firm travel demand in the industry while strengthening the business aviation sector.

One of the front runners in vaccination roll-out is Israel. With a population of roughly 9 million, the

state has already vaccinated 48% of its population with a goal of 80% by the end of May 2021. The Israeli example proves that by means of sophisticated agreements with vaccine producers, efficient distribution networks, and educated citizens on the benefits and negatives of vaccines, can provide quick success in terms of vaccination roll-out rates.



While the success of Israel may have a direct effect on the aviation industry, travel confidence will most likely return in the form of increased bookings for both private and commercial flights in the coming months. The largest markets in the world by private aircraft fleets are Germany and the US, which have already begun vaccination programs, both of which estimate a strong rebound at the end of Q1 leading into the early stages of Q2. JetMS believes that the steps taken by the governments in the coming months regarding vaccination will be pivotal in identifying the positives from recovery efforts by countries and individuals at the end of the year 2021.

Increased efforts in global recovery programs are expected to set a firm foundation for the stable return of demand in air travel. MRO organizations estimate to see a positive effect on their businesses through the coming need to fulfil the increase in capacity as the number of aircraft

returning back to service will surge in the months after the removal of travel restrictions. The role that MRO companies play in keeping aircraft airworthy together with the successful completion of maintenance and recertification projects will be a crucial factor in determining the recovery trajectory of the business aviation sector. Additionally, by utilizing the opportunities presented by the pandemic to expand and refine operational cost-efficiency, small players can begin rivalling larger competitors, further increasing competition in the MRO market.

“Looking at the success of the vaccination program in Israel, we believe that government action that closely follows the successful vaccine implementation in other countries can prove to be beneficial for the global economy as a whole. In 2020 business aviation showed its resilience to outside factors like the coronavirus pandemic, 2021 will show a definite increase in both queries and flights. However, the situation with Brexit leaves a lot of questions unanswered, one of them being whether operators from the United Kingdom will have the ability to remain competitive with

European market players from the perspective of taxation and permits. Being one of the strongest economic forces in Europe, the United Kingdom has been a key contributor to the private aviation market, and seeing its importance diminish due to mismanagement by governments could send a significant shockwave to markets across Europe and the US.” – commented Jet Maintenance Solutions CEO Vytis Zalimas.



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