

PRESS RELEASE

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For Immediate Release

JETNET Releases June 2018 and First Six Months of 2018 Pre-Owned Business Jet, Business Turboprop, Helicopter, and Commercial Airliner Market Information

UTICA, NY – JETNET LLC, the leading provider of aviation market information, has released June 2018 and the first six months of 2018 results for the pre-owned business jet, business turboprop, helicopter, and commercial airliner markets.

Market Summary

Highlighted in Table A below are key worldwide trends across all aircraft market segments, comparing June 2018 to June 2017. “Fleet For Sale” percentages for all sectors were down in the June comparisons. June 2018 was the lowest “For Sale” percentage (9.1%) for business jets since the great recession began.

TRENDS: Generally, across all six aircraft sectors reported, inventories are down, and full sale transactions had mixed results, with very little increase to no change to decreases in the first six months of 2018 versus 2017.

Business Jets are showing a flat start in the first six months of 2018, with a .2% increase in pre-owned sale transactions, but are taking less time to sell (26 days) than last year. Business turboprops saw no change in sale transactions, while taking more time to sell (13 days). Interestingly, New Business Jet shipments as reported by GAMA were also flat in the first six months of 2018 compared to 2017, at 296.

Comparing June 2018 to June 2017, turbine helicopters saw a slight increase in YTD sale transactions, up 0.6%, while piston helicopters showed a decline of 8.1% in sale transactions.

Commercial airliners are also reported by JETNET in Table A - Worldwide Trends, and include the number for sale for both commercial jets (including airliners converted to VIP) and commercial turboprops. Commercial Jets and Commercial Turboprops were down in full sale transactions, at -9.1% and -.8% respectively, in the YTD June-over-June comparisons.

For the first six months of 2018 there were a total of 4,401 aircraft and helicopters sold, with business jets (1,344) and commercial jets (1,005) leading all types and accounting for 53% of the total. The number of sale transactions across all market sectors— at 4,401—decreased by 2.9% compared to the first six months of 2017. Only pre-owned business jets and turbine helicopters showed increases in sale transactions compared to the other market sectors. However, they were both less than 1%, and business turboprops had no change.

Table A

Worldwide Trends							
June	Business Aircraft		Helicopters		Commercial Airliners		Total
	Jet	T P	Turbine	Piston	Jet	T P	ALL
In-Operation Fleet	21,677	15,376	22,124	9,976	28,237	7,549	104,939
For Sale	1,966	1,012	1,275	542	304	392	5,491
% of Fleet For Sale 2018	9.1%	6.6%	5.8%	5.4%	1.1%	5.2%	5.2%
% of Fleet For Sale 2017	10.8%	7.6%	6.7%	5.6%	1.5%	5.6%	6.1%
Change - % For Sale	(1.7 pts)	(1.0 pt.)	(0.9 pt)	(0.2 pt)	(0.4 pt)	(0.4 pt)	(0.9 pt)
January to June 2018							
Full Sale Transactions	1,344	651	731	422	1,005	248	4,401
Average Days on Market	297	307	511	282	626	470	416
Y-T-D January to June 2018 vs 2017							
% Change - Sale Transactions	0.2%	n.c.	0.6%	-8.1%	-9.1%	-0.8%	-2.9%
Change - Avg. Days on Market	-26	13	50	-65	117	77	28

Source: JETNET; Business Jets excludes executive airliners and piston aircraft; Full Sale Transactions includes Whole and Leased only.

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US Real Gross Domestic Product (GDP)

The first six months flat results for business jets were surprising, because the US real gross domestic product (GDP) increased at an annual rate of 4.1% in the second quarter of 2018. In the first quarter of 2018, the US GDP increased by 2.2 percent.

As shown in Table B below, the second quarter of 2018, at 4.1%, is the second highest since 2014 (at 5.1% for second quarter results).

Table B

U.S. Gross Domestic Product (GDP)				
Year	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.
2018	2.2%	~4.1%		
2017	1.8%	3.0%	2.8%	2.3%
2016	1.5%	2.3%	1.9%	1.8%
2015	3.3%	3.3%	1.0%	0.4%
2014	-1.0%	5.1%	4.9%	1.9%
2013	3.6%	0.5%	3.2%	3.2%
2012	3.2%	1.7%	0.5%	0.5%
2011	0.1%	2.9%	0.8%	4.6%
2010	2.3%	2.2%	2.6%	2.4%
2009	-6.4%	-0.7%	2.2%	5.6%

Source: US Bureau of Economic Development

Table C below shows the yearly US GDP percentages from 2000 to 2017. The year 2017 was 2.2%, and 2018 is projected to be 3.0% for the US, as sourced from the IHS Markit Ltd. Comparative World Overview report from July 2018.

Table C

U.S. Gross Domestic Product (GDP)																			GDP
Percentage Change From Preceding Year																			Projected
Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
GDP % Change	4.1	1.0	1.8	2.8	3.8	3.3	2.7	1.9	-0.1	-2.5	2.6	1.6	2.2	1.8	2.5	2.9	1.6	2.2	3.0

Source: Bureau of Economic Development; IHS Markit

Global, USA, and Non-USA Pre-Owned Market Trends

Highlighted in Table D are business jets and business turboprops, comparing the months of June from 2014 to 2018 (four years) for the USA vs. Non-USA Aircraft In Operation, For Sale, and Percentage For Sale.

The general trend has been that growth in business jets has out-paced turboprops nearly 2-to-1 in the last four years. Since June 2014, 1,958 new business jets have joined the global fleet, compared to 1,120 turboprops.

The number For Sale and Percentage For Sale have declined since 2014. The split of USA vs. Non-USA business jets in operation has remained at 60/40 levels, whereas the split of in-operation USA vs. Non-USA business turboprops is about 51/49. Interestingly, the number for sale in the USA vs. Non-USA is 63/37 for business jets, and 59/41 for business turboprops.

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Table D

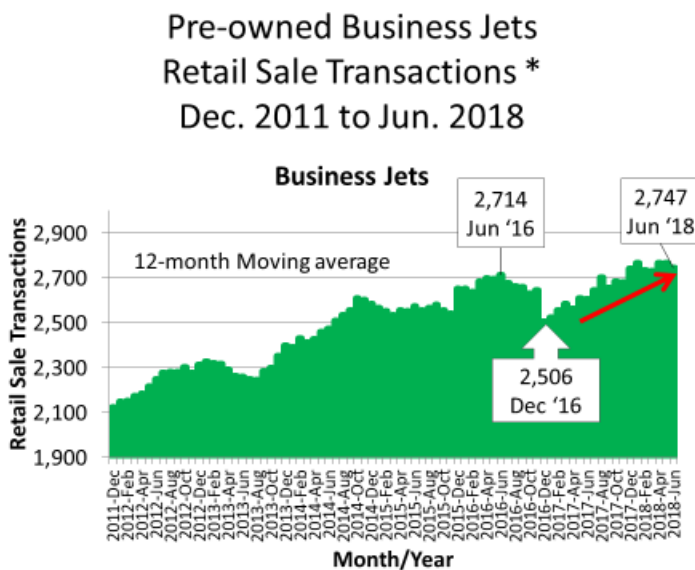
Business Jets	Aircraft In Operation			Aircraft For Sale			Percent For Sale		
	Global	USA	Non USA	Global	USA	Non USA	Global	USA	Non USA
Jun. 2014	19,719	11,660	8,059	2,332	1,379	953	11.8%	11.8%	11.8%
Jun. 2015	20,290	12,097	8,193	2,272	1,371	901	11.2%	11.3%	10.9%
Jun. 2016	20,848	12,491	8,357	2,436	1,453	983	11.6%	11.6%	11.7%
Jun. 2017	21,354	12,863	8,491	2,301	1,379	922	10.7%	10.7%	10.8%
Jun. 2018	21,677	13,102	8,575	1,966	1,237	729	9.0%	9.4%	8.5%
Differences 2018/2014	1,958	1,442	516	-366	-142	-224	-2.8	-2.4	-3.3

Business Turboprops	Aircraft In Operation			Aircraft For Sale			Percent For Sale		
	Global	USA	Non USA	Global	USA	Non USA	Global	USA	Non USA
Jun. 2014	14,256	7,222	7,034	1,104	627	477	7.7%	8.6%	6.7%
Jun. 2015	14,532	7,370	7,162	1,158	644	514	7.9%	8.7%	7.1%
Jun. 2016	14,862	7,577	7,285	1,230	713	517	8.2%	9.4%	7.0%
Jun. 2017	15,125	7,730	7,395	1,155	677	478	7.6%	8.7%	6.4%
Jun. 2018	15,376	7,814	7,562	1,012	597	415	6.5%	7.6%	5.4%
Differences 2018/2014	1,120	592	528	-92	-30	-62	-1.2	-1.0	-1.3

Pre-Owned Business Jet Transactions

Chart A displays the 12-month moving average for Full Retail Transactions for business jets from December 2011 to June 2018.

From December 2011, used business jet transactions steadily increased until June 2016, to a high point of 2,714. A falling-off occurred in the second half of 2016, to a low point in December 2016 of 2,506, and has since steadily increased to 2,747 transactions in June 2018. **Chart A: Pre-Owned Business Jet Transactions**



Source: JETNET; Analysis & Presentation by Chase & Associates
* Whole Sale and Lease Transactions



JETNET, celebrating its 30th anniversary as the leading provider of aviation market information, delivers the most comprehensive and reliable business aircraft research to its exclusive clientele of aviation professionals worldwide. JETNET is the ultimate source for information and intelligence on the worldwide business, commercial, and helicopter aircraft fleet and marketplace, comprised of more than 110,000 airframes. Headquartered in its state-of-the-art facility in Utica, NY, JETNET offers comprehensive user-friendly aircraft data via real-time internet access or regular updates.

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