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Forecast: Modest Growth for Bizjets and Fuel

Aviation market consultant Brian Foley has issued new ten-year forecasts of business-jet deliveries and fuel consumption.

“We see deliveries rising at a steady 2.7% per year (Compound Annual Growth Rate) between now and 2019,” Foley said. In all, a respectable 8900 business jets worth \$170 billion will be delivered through the period. Interestingly, some 48% of these will go to non-North American markets, compared to a historical 30% -- a major shift.

Choosing 2010 as the starting point was absolutely key, Foley explained. “2009 was too unsettled and 2008 was a clear anomaly, an unsustainable peak. Our same numbers would yield a *minus* growth -2.6% if measured against 2008, but that’s not really useful information. We won’t see such high delivery rates again this decade because of tougher financing for aircraft purchase and especially the maturing of fractionals, which are becoming a replacement rather than a growth market.”

Foley acknowledges some other forecasters have offered rosier predictions that rise on the graph like hockey sticks, without a slowdown, but finds that argues with reality. “As an independent, we don’t have to worry about placating shareholders and management. We can’t ignore the variable nature of this market, which historically has run in five- to six-year cycles.”

Foley’s ten-year forecast of bizjet fuel consumption is not only new but may be the first of its kind. “Rather than relying on fragmentary data from FBO’s and fuel suppliers, we’ve developed a unique empirical method that looks at aircraft populations, utilization rates, fleet modernization and other factors. This lets us forecast consumption rates and trends not just by year but also broken down by cabin class and world region.”

According to Foley’s data, some 1.6 billion gallons of Jet A were used by business jets in 2009, reflecting the drop in flying hours caused by economic factors. Foley forecasts 21 billion gallons to be consumed through the coming decade, with some fluctuation, but with the annual average reaching 2.5 billion gallons in 2019 – a 57% increase.”

The complete Foley Forecasts for business-jet deliveries and fuel consumption, though published for Foley clients and subscribers, can also be purchased by qualified interested parties.

About Brian Foley Associates (BRiFO)

Brian Foley Associates are recognized thought leaders and management advisors to the general aviation industry. Primary practice areas include industry analysis and forecasting, market research, strategic planning, new product evaluation and transaction support. It was formed in 2006 by industry veteran Brian Foley, a former executive at a major business jet manufacturer for over 20 years. Mr. Foley is also a licensed securities representative who, through an affiliated company, helps find buyers and growth capital for general aviation companies. For more information visit www.BRiFO.com or follow [@BrianFoleyAssoc](https://twitter.com/BrianFoleyAssoc) on Twitter.