

LOOKING BACK AT 2016 AND AHEAD TO NEW INNOVATIONS

While the overall 2016 GA shipment results were down, the good news is there are a number of new products expected to be certified later this year and in the next few years

AT GAMA'S ANNUAL INDUSTRY Review press conference in Washington, D.C., last month, we revealed the 2016 year-end shipment and billing numbers and, in short, they were not what we'd hoped for. Global airplane shipments were down 3.9 percent, while rotorcraft shipments worldwide dropped nearly 17 percent. Airplane billings fell 14 percent, and rotorcraft billings were down 23 percent.

The slowdown in business jet sales — particularly among long-range, large-cabin jets — is responsible for much of the drop in airplane billings. Business jet shipments fell to their lowest level since 2004, declining 7.9 percent to 661 units. Piston airplane shipments also dropped 4.9 percent. The bright spot in the market came from turboprop airplane shipments, which experienced a 4.5 percent jump.

In each of these segments, the North American market remained strong in 2016, accounting for almost 70 percent of piston airplane shipments, 62 percent of business jet shipments, and nearly 58 percent of turboprop shipments. The North American demand was the largest on record for business jets and the largest share for piston airplanes in at least a decade. Elsewhere in the world, Europe notably showed an increase in turboprop airplane shipments after an unusually slow two years. The Asia-Pacific region

showed strength in the turboprop market, taking the second spot after the U.S., but overall, the Latin American and Middle East regions showed softness.

Separately, the global rotorcraft sector continued to have a difficult time, with preliminary turbine shipments showing a 15.9 percent drop, and piston rotorcraft shipments declining 19.7 percent from 2015. Low oil and gas prices — resulting in less exploration — are in part behind these lower numbers. More information on the performance of all aircraft sectors is available in our annual Databook, which can be found at www.GAMA.aero.

THE GOOD NEWS

While the overall 2016 results were disappointing, the good news is that we have a number of exciting new products that we expect to be certified later this year and in the next few years. They include Gulfstream Aerospace Corp.'s G500 and G600, Textron Aviation's Cessna Denali and Citation Longitude, the Pilatus PC-24, Bombardier Business Aircraft's Global 7000, the Dassault 5X, the Mooney M10, and Bell Helicopter's 505 Jet Ranger X and 525 Relentless. The innovative designs and technologies featured in these aircraft should bring more customers off the sidelines and into showrooms. The recent introduction, and strong response to, Cirrus Aircraft's Vision Jet, Piper Aircraft's

M600 turboprop, the TBM 930, the Diamond DA-62, and the HondaJet show that customers are ready to embrace new products.

In addition, GAMA continues to press for certification reform with members of the U.S. Congress and the new Trump administration. It was a key topic of a U.S. House Aviation Subcommittee hearing last month that focused on the state of American manufacturing. As Subcommittee Chairman Frank LoBiondo (R-NJ) noted about the certification process in his opening remarks, "As manufacturers design and build to meet these standards, they can experience needless and harmful bureaucratic delays, both internationally and domestically. These delays can be very detrimental to U.S. manufacturers trying to compete globally where every day of delay can mean real losses in both profits and jobs."

Subcommittee Ranking Member Rick Larsen (D-WA) agreed, adding, "Bipartisan compromise and significant industry input produced an entire certification reform title that would have brought long-overdue changes to the FAA certification process" in last year's FAA reauthorization legislative attempt. He noted that certification and other critical reforms should be included in the next FAA reauthorization bill. We agree, and hope Congress will act soon on this issue to bring relief to our industry — in 2017 and beyond. **AMT**



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