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### **The development of business aviation in the world**

***Annotation.** In the article it is dwelled upon the features of the global business aviation market, the analysis of the market of manufacturers of business jets in the world is carried out, rating of the countries by the number of planes of business aviation and regional distribution of business jets in the conditions of globalization changes is performed.*

In conditions of global transformations new conditions are created to increase competition in the global aviation market that causes impact on the market of aviation services. Accordingly, aviation market interacts and influences through the competition mechanisms the development of the global economy. Business aviation is one of the most important components of the global transport system that provides workplaces and stimulates economic growth. Business aviation market is an integral part of civil aviation.

In the global world economy it is necessary to develop business aviation strategy for the business development and effective country functioning, which requires not only the study of practical international experience of its functioning but the development of a number of scientific problems as well both theoretical and applied.

Together with deepening of globalization and economic integration processes the needs and attractiveness of business aviation services is growing. Perspective trend of business transportation development becomes the purchase of transport aircraft with the crew by some large corporations. Such changes in the business aviation services market, having very rapidly developed recently, require finding new methods aimed at analyzing its structure and estimation of trends. Therefore research of the current state of business aviation services market is relevant.

Recently the popularity of business aviation has increased around the world especially the economy of the Western countries has an important influence on the industry. The rapid development of the business aviation market in the US and Europe has transformed the business jets in one of the most important air transport vehicles after regular aircraft types and the annual turnover of the relevant market exceeds military aviation market.

Global business aviation market has experienced a big boom period, a disastrous fall and stopped in front of the new realities. 2014 has been the most successful since the collapse of the business aviation market in 2008. Activity of business aviation market largely depends on the self-conception of customers both private individuals and companies. Despite some fluctuations on major world stock markets during 2014 in total stock indexes increased which contributed to increase

of consumer activity. The growth of demand on new aircraft and the aircraft of the secondary market increased as well [6].

The changes which occurred in the business aviation market in 2014 affected the intensity of flights and the secondary market and forecasts and the balance of power among manufacturers of business jets. Serial production of business jets is a large part of the global business aviation industry its «locomotive» and the main indicator of the market. Since 2008 the rate of production of aircraft for private flights has been steadily falling. Thus in 2008, 1313 of business class aircraft were produced and in 2012 their number decreased to 670. This is primarily due to the demand which fell sharply for medium and small aircraft while the demand for large business jets did not change significantly. In 2013 the number of produced aircrafts was 678 of business jets [1].

According to the General Aviation Manufacturers Association in 2014 deliveries of business jets stabilized after a four-year decline 708 jet aircraft were transferred to customers which is by 30 more than in 2013. But despite this difference in the number of produced aircrafts the cost of supplies in 2014 was huge - 21\$ billion [5].

In the future, expect production growth by 2020, when in the market will be launched 1166 cars. Overall, it is expected that for the period from 2013 to 2022 will be built from 9250 to 9575 new business jets worth more than 230\$ billion [3].

Large transnational business that receives large and long-classes aircrafts has more immune to falling economy, while medium and even small businesses are the main buyers of small business jets they are more dependent on the economic situation and available financing terms surgery. Thus, during the four-year recession long-range aircrafts have had the most stable demand, which cost starts from 40-50\$ millions. Accordingly, gains were producers who have a lot of machines in the model number [6].

According to Aviation International News the largest producers of business jets, such as Textron Aviation (parent company structure Cessna) which increased the rate of deliveries by 12% transferred to clients 159 aircraft and Citation Gulfstream which referred to clients 150 aircraft, which is 4% more than in 2013. However, Dassault Aviation has reduced the number of aircraft delivered in 2014 to 66, which is 14% less than the previous year. 15% of all orders accounted for clients from BRIC countries (Brazil, Russia, India, China), [5].

The Brazilian aircraft company Embraer in 2014 delivered to customers 208 aircraft, including 116 business jets. As a result, in the manufacturing sector the rearrangement of forces began. Previously there were a "big six" leaders in the format "5 + 1" (Bombardier Aerospace, Gulfstream Aerospace, Cessna Aircraft, Dassault Aviation, Hawker Beechcraft and a young but promising Embraer), now the Brazilian group Embraer strengthened its position, surpass bankrupt American Hawker Beechcraft and catches another US company - Cessna [1].

Among the top 10 countries by the number of business jets in exploitation USA is leader their the number of registered aircraft is the largest in the world it is 67% of business jets and 63% of the world fleet [2].

According to Gama General Aviation Statistical Data Book and Industry Outlook 2014 business aviation annual fee in the US economy is 150\$ billion. and

1.2 million jobs annually. A contribution to the economies of the European business aviation is 20\$ bln.

The map of supplies business jets map was changed in 2014. Despite the negative effects of the crisis the USA share is 52.4% of the world number of passed jets to customers. Europe is the next with 15.6%, Asia - 12% of business jets, the share of Latin America has 11.1%, and the Middle East and Africa have 9% [7].

In recent years, gradually increasing activity of China and India, but the number of transactions with customers in the region can not be compared with the number of transactions in the US.

According to «Bombardier Business Aircraft Market Forecast 2014-2033» Forecast of business jets supply by region of the world in 2023 will be such [8].

Thus, the greatest number of supply forecast to US (3975 business jets). Next comes Europe - 1550 and China and Latin America 950 and 940 business jets.

The study of the global business aviation market has allowed identifying a number of characteristic features and fundamental differences functioning.

Business aviation is very important factor in accelerating the development of the economy. There are thousands of new jobs, high-tech and government revenue. Business aviation contributes to developing international market. But the development and distribution of business aviation in the world is not even enough.

Thus business aviation market is growing worldwide with high speed. Each country is associated with this activity. In 2014 the market for business aviation stabilized and even had positive dynamics, the growth of flight activity is 4%. A leader in the development of business aviation in the world is the United States. Their part in 2014 is about 52% because of the US economic recovery and growth of world economy [1].

Most international analysts believe that the business aviation market expects further growth over the next 10 years. The main factors that actively influence the current development of business aviation in the world is the growth of corporate profits, integration and globalization of business, economic development market. There has been progress in the development of equity ownership program aircraft that make using of business jets more affordable.

## **References**

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