GLOBAL JET CAPITAL: STRONG ECONOMIC GROWTH IN INDIA WILL FUEL BUSINESS AVIATION MARKET

News / Business aviation

Global Jet Capital, a provider of financing solutions for large-cabin, long-range business jets, expects demand for business aviation in India to increase as a result of the country's strong economic growth.

Simon Davies, Vice President, Sales – India at Global Jet Capital is currently in India meeting prospective clients who are looking for finance to support potential acquisitions of mid to heavy business jets.

New research (1) from Global Jet Capital reveals that over the last decade (2006-15), 70 mid to heavy business jets were delivered to India, with a combined value of around $3.5 billion.

Global Jet Capital says these aircraft typically cost between $25 million and $75 million each, and up to 80% of the funding used to purchase these is sourced through external financing. The Indian business aircraft fleet has a greater proportion of mid-sized to heavy jets than the global average(1). 44% of the Indian fleet is classed as mid-sized to heavy, compared with a worldwide

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figure of 31%, indicating that demand for finance from Indian buyers is likely to be greater than from other regions.

The aviation finance specialist, which recently completed the purchase of the aircraft lease and loan portfolio of GE Capital Corporate Aircraft in the Americas representing approximately $2.5 billion of net assets, has around $1 billion to lend to clients to purchase relevant business aircraft in India and elsewhere around the world.

Simon Davies, Vice President, Sales – India, Global Jet Capital said: “For the fiscal year 2015 – 2016, India’s GDP growth was around 7.6% (2), and some market commentators are predicting that growth will gain momentum in 2016 – 2017, with GDP growth of around 7.8% (2).

“Demand for business aviation is closely correlated to economic growth so we believe long-term, India will see a significant increase in demand for business jets. This is already a very attractive market for us, and we expect it to become even more appealing in the coming years.”

Global Jet Capital, which was launched in 2014, is capitalized by three global investment firms – GSO Capital Partners, a Blackstone company in partnership with Franklin Square Capital Partners*; The Carlyle Group; and AE Industrial Partners.

The company’s current management team and executive committee is composed of leaders from business jet manufacturers, maintenance and service providers and leading financial institutions who have served the private aircraft industry for a combined 200-plus years and have completed over 3,500 aircraft transactions.

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