



SIGARI: CITATION MARKET REBOUNDS IN NORTH AMERICA

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Demand for light and midsize jets in North America is finally returning to levels seen prior to before the 2008 recession, JjetAviva CEO Cyrus **Sigari** told attendees of the **Citation** Jet Pilots Association's (CJP) 2015 convention held in September. For the moment, at least, that strength is enough to counter troubling signs on the international stage.

"The theme for this year is confidence," Sigari told attendees in his annual update on the current highs and lows in the Citation sales market. "Overall, we're feeling pretty good about the market."

Positive economic indicators, including rising small business optimism, have bolstered the sales forecast in the U.S. and throughout North America. "We're effectively at 100 percent, [which] is the highest it's been since, effectively, 2006 or so," Sigari noted. "People are no longer doom and gloom, and that has shifted the dynamic of the marketplace."

Countering those positives are continued uncertainty over recent stock market fluctuations, and the effects of lower oil production on light jet demand in traditionally strong— but energy-dependent—regions such as Texas, Oklahoma and Canada.

Internationally, Europe continues to be "a drag on the marketplace," Sigari added, although strong piston aircraft demand throughout the EU may present an opportunity for future growth as those owners eventually make the transition to turbines. Turmoil in the BRIC countries has also led to slumping aircraft sales, though in Southeast Asia it has also driven corporate officials to consider private air travel due to safety concerns about the region's commercial airlines.

Depressed global currencies against the U.S. dollar are also an area of concern. “Generally speaking across the board, the U.S. dollar has gone up about 20 percent, which gives us good purchasing power, [but] it also makes it more expensive for people globally to buy our stuff,” he added.

As far as the market for Citations, Sigari noted that interest has waned greatly in the C510 Mustang light jet, offset by the recent addition of the M2 to the Citation line. “Cessna was very successful in building a backlog of orders, and *it has* they have been steadily working through that,” he said. “Now *it’s* they’re looking for new customers.”

Demand also continues to be relatively healthy for the CJ3+, while Cessna’s flagship single-pilot jet, the CJ4, “has been the bread and butter, chugging out the door consistently since it was certified in 2010,” Sigari said. “Their backlog is up to Q1 of 2016; the word ‘backlog’ hasn’t really existed in this segment of the market for several years.”

Sigari also noted that the market for older Citation models may experience a bit of an upswing in the near future, after years of lagging sales, due to greater availability of glass-panel avionics retrofit solutions. Anticipated FAA certification of Tamarack Aerospace’s active winglet system is also “a big deal, one that changes the value proposition” for straight-wing Cessna CitationJets, he added.

JetAviva is exhibiting at the Henderson Executive Airport NBAA static display.

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