2024 GLOBAL BUSINESS AVIATION OUTLOOK

SOARING TO NEW HEIGHTS

Six years of incredible growth set business aviation on a steady course for the future. Some 8,500 new business jets valued at $280 billion will roll off aircraft manufacturers' assembly lines in the next decade, including new models that will be safer, more efficient and more sustainable than ever.

Honeywell

ABOUT THIS FORECAST

Now in its 33rd year, the Honeywell Global Business Aviation Outlook provides an in-depth overview of industry trends, including aircraft purchasing plans across a 10-year horizon. For the 2024 Outlook, we gathered and analyzed macroeconomic data from global economic forecasts, industry analysts' reports, aircraft manufacturers' development and production schedules, and other sources.

We also surveyed 375 non-fractional business aircraft operators who shared their aircraft-purchasing plans and provided other valuable insights about their intentions, preferences and concerns. The survey sample represents a broad cross-section of the global business aviation community to create a clear picture of the market and enable us to analyze findings based on region, operating profile, aircraft class and other factors.

This annual process is just one of the methods Honeywell uses to stay in touch with the needs of our customers in this dynamic global industry. The findings inform Honeywell's business planning efforts, technology development roadmaps and other core processes.

We hope you find the 2024 Outlook interesting and useful.

Honeywell

EXECUTIVE SUMMARY

After an amazing six-year run-up, business aviation activity has reached a recent high level and is settling in for a prolonged period of steady growth. Aircraft manufacturers expect to deliver 830 new business jets valued at $27 billion in 2025, capping an impressive stretch that began in 2019 during which aircraft deliveries were up 16% and spending on new aircraft climbed 32%.

With 2025's near-record numbers as a starting point, our analysis of macroeconomic trends and operator feedback indicates business aviation deliveries will continue to grow steadily for at least the next decade. We think business jet deliveries and expenditures will grow at compounded rates of at least 2% and 3% respectively between 2024 and 2033.

Aircraft owners and operators will invest an estimated $280 billion in new business jets between 2024 and 2033. This 10-year projection is up slightly from the $278 billion forecast in last year's Outlook. Aircraft deliveries will total 8,500 during the period, starting with 830 new business jets in 2025, which is up from 750 in 2024.

"Demand for new business jets remains strong and we're expecting steady growth to continue over the next decade. The industry is well beyond pre-pandemic production levels and we don't see that changing any time soon. Our forecast shows strong growth in 2025 and then sustained deliveries with consistent growth from a new, much higher baseline."

Jim Currier President and CEO, Honeywell Aerospace Technologies

IN OTHER KEY FINDINGS:

Operators show a decided preference for business jets that can comfortably carry more passengers on longer flights. Larger jets will account for two-thirds of aircraft spending in the 10-year period.

Aircraft performance and total cost of ownership – not just acquisition cost – are the main factors buyers consider when choosing a new aircraft.

Ninety-three percent of operators plan to fly as many or more hours in 2025 as they did in 2024.

Business aircraft access continues to expand as new users come on board through fractional ownership, leasing and jet card programs, which also help increase demand for new aircraft.

Aircraft manufacturers are answering the call with new and refreshed aircraft models equipped with more efficient engines, new flight decks, advanced satellite communications technologies and more.

Robust demand for business aircraft signals a bright future for business aviation, but we recognize that the industry also faces headwinds. Geopolitics, economic uncertainty and inflation, supply chain constraints, new and emerging environmental requirements and continued public scrutiny could impact order volume and production rates in the coming decade.

Experience has taught the business aviation community how to handle a little turbulence. All things considered, our analysis makes it clear that we are in for an extended period of steady growth as more organizations and individuals turn to business aircraft to meet their transportation needs.

Our 2024 Outlook describes why this is an exciting time to be associated with business aviation.

"The trend toward aircraft with larger cabins and extended ranges was a significant factor in the impressive growth in business aviation deliveries and expenditures in recent years. Operators tell us that range and other performance factors are the most important factors they consider when choosing a new aircraft. Range, passenger and payload capacity, and field performance were all among the top four purchase drivers – well ahead of other factors including acquisition cost."

Ben Driggs Chief Commercial and Strategy Officer, Honeywell Aerospace Technologies

2024 BUSINESS AVIATION OUTLOOK FINDINGS

READY FOR STEADY GROWTH

Record-breaking increases in aircraft deliveries and spending, fueled by demand for larger and more expensive jets, positions business aviation to grow steadily from a new, much higher baseline. Aircraft owners and operators plan to spend $280 billion on 8,500 new business jets in the coming decade.

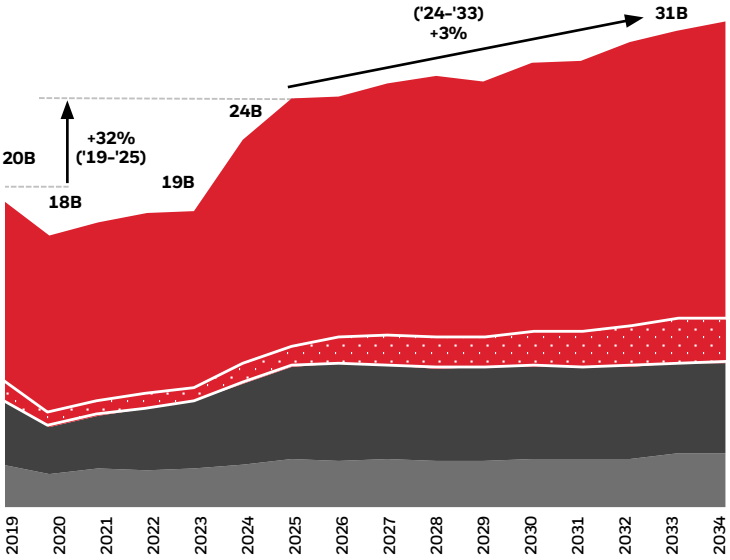
Near term, aircraft operators are looking to add aircraft to their fleets and replace their existing aircraft at about the same rate as respondents to last year's Outlook. Additions and replacements between 2025 and 2029 will be equivalent to about 18% of operators' current fleets.

We expect to see a 2% compounded annual growth rate for aircraft deliveries during the 2024-2033 time period, while expenditures will expand slightly faster at a 3% rate. These more typical growth numbers come on the heels of a particularly robust stretch of time (2019-2025) during which deliveries rose 16% and spending grew 32%.

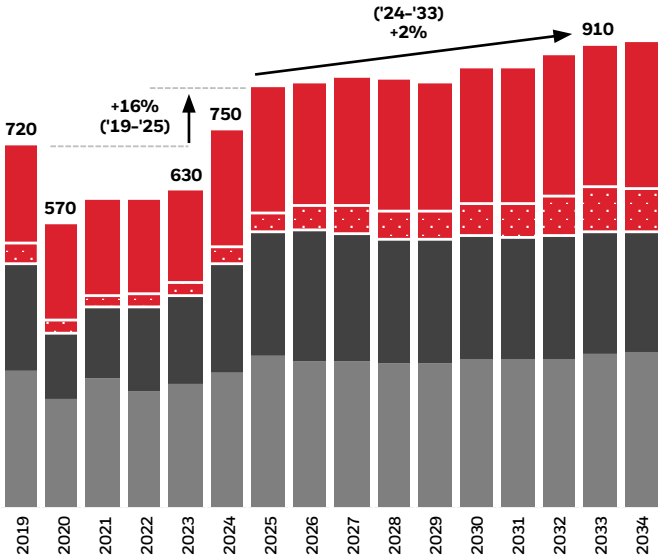
"More than 90% of operators tell us they expect to fly at least as much in 2025 as they did in 2024, primarily to keep up with growing passenger demand. This continued demand is a testament to the value provided by business aviation travel."

HEATH PATRICK President, Americas Aftermarket Honeywell Aerospace Technologies

DELIVERY EXPENDITURES
CONSTANT 2024 US DOLLARS



AIRCRAFT DELIVERIES BY CLASS
UNITS



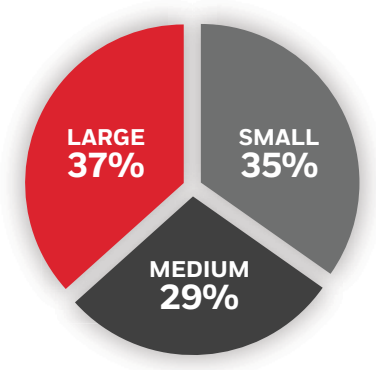
LARGE JETS LARGE CABIN MEDIUM JETS SMALL JETS

GOING FOR DISTANCE

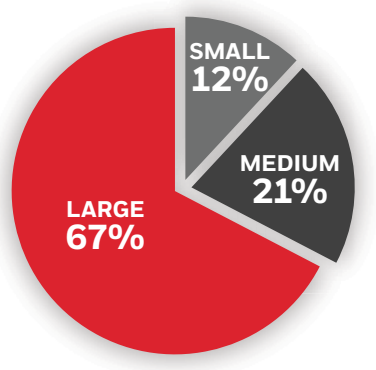
The growth differential between aircraft delivered and total expenditures is due mostly to buyers' preference for larger, more expensive business jets that can carry more passengers on longer flights.

Aircraft in large jet categories will account for 37% of aircraft deliveries and 67% of aircraft expenditures over the next decade. This underscores the value operators place on such factors as range, passenger capacity and cabin experience.

UNIT DELIVERIES BY SIZE CLASS



DELIVERY VALUE BY SIZE CLASS



Operators prioritize "Range" as the top factor when deciding which aircraft to purchase.

Eighty-two percent of operators consider performance-related factors like range, maximum passenger payload and field performance to be important in making a buying decision. They also consider cost (60%), customer support (48%), cabin experience (46%), manufacturer reputation (37%) and latest technology (25%).

Based on survey results, Honeywell created a 100-point weightage system to understand operator preference of purchase drivers. These 100 points were distributed over 37 purchase drivers, indicating the relative importance of each driver. Range scores highest at 10.8, followed by operating cost at 7.2, and the number of passengers the aircraft can carry at 6.7. Low acquisition cost tied for ninth on the list of top choices at 4.0.

NEW AIRCRAFT PURCHASE DRIVERS

WEIGHTAGE OF TOP FACTORS (OUT OF 100)	
Range	10.8
Low Operating Cost	7.2
Maximum Payload/Number of Passengers	6.7
Field Performance	5.7
Speed	4.7
Availability of Spares	4.6
AOG Response Time	4.3
Residual Value	4.2
Low Acquisition Cost	4.0
Airframe Dimensions	4.0

RELATIVE SCORING

PERFORMANCE COST CUSTOMER SUPPORT

FILLING THE DEMAND

Aircraft buyers have lots of options because aircraft manufacturers offer an abundance of choices designed to meet any mission requirement. Today's most popular business jets are modern marvels of technology that deliver enormous benefits measured in terms of passenger safety, security, comfort and convenience.

No wonder business aviation's customer base continues to grow in the post-pandemic era as companies and individuals acquire their first aircraft and innovative fractional ownership and shared access plans continue to evolve.

Operators with near-term aircraft buying plans need to pack their patience when they go shopping. OEM order books are brimming over, one-to-one book-to-bill ratios are routine, and waiting times of 18-24 months for delivery are not uncommon. OEMs and their strategic suppliers are making strides to catch up with demand as the industry continues to recover from the stagnation experienced in 2021-2023.

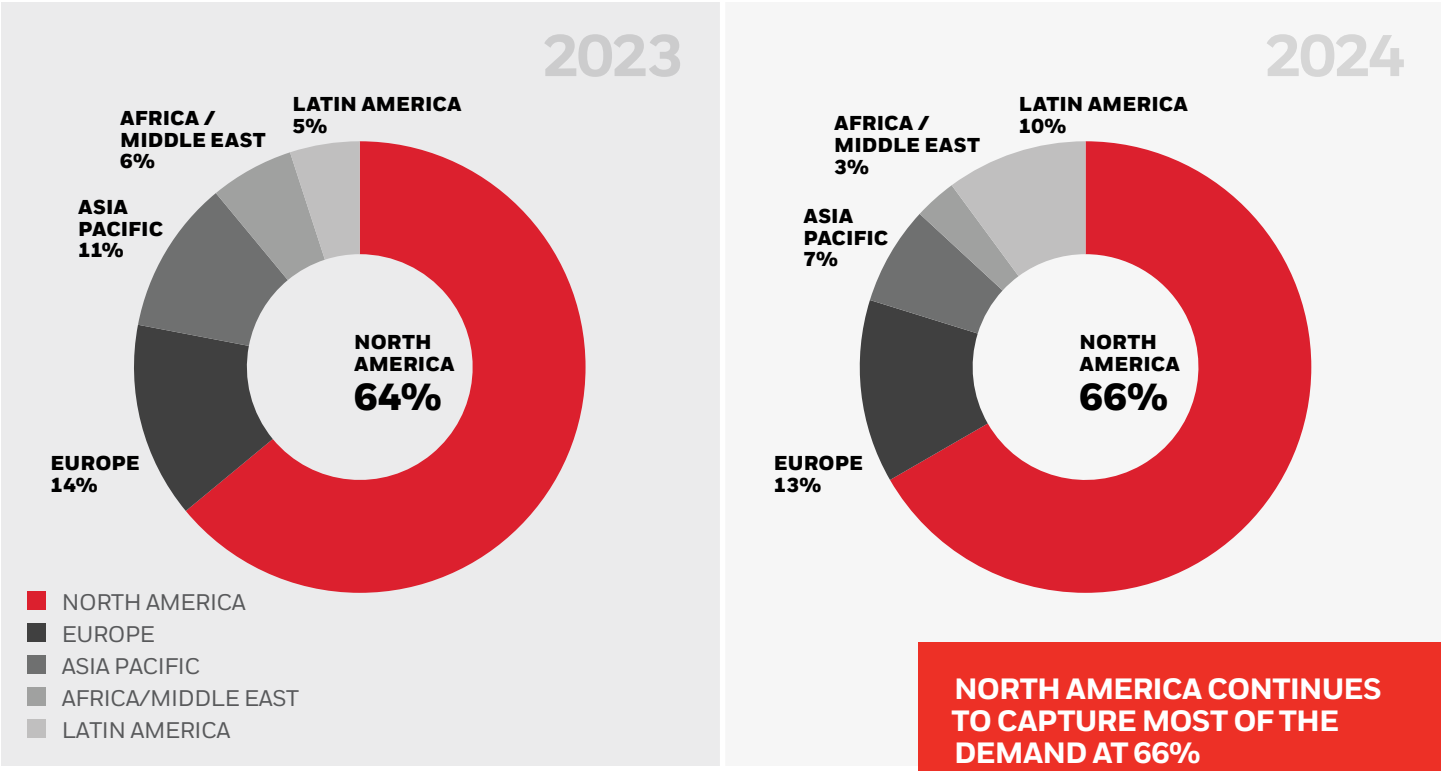
WHERE IN THE WORLD?

North American operators will take delivery of two-thirds of business jets produced in the next five years, slightly more than the outlook projected in last year's report.

Our five-year delivery projections are down slightly from last year's report for most of the rest of the world as aircraft operators in Europe, Asia Pacific, the Middle East and Africa keep an eye on the implications of geopolitical, economic and environmental complications affecting their regions.

Latin America is the exception, with increased flight activity in Brazil doubling the region's demand for new business jets to about 10% of total global deliveries.

REGIONAL FIVE-YEAR DEMAND FOR NEW JETS



NORTH AMERICA CONTINUES TO CAPTURE MOST OF THE DEMAND AT 66%

SHRINKING OUR FOOTPRINT

For the 2024 Outlook, we asked operators about their "current methods" to make their operations more environmentally friendly. This is a departure from past years when we asked them about "future methods" they planned to adopt. The results enable some interesting comparisons.

For example, in 2023 39% said they planned to evolve to sustainable aviation fuels over time. One year later, SAF ranks as our respondents' second-most common sustainability method. Operators identified the cost and availability of SAF as leading obstacles to its broader adoption.

Additionally, 37% of respondents expressed some level of concern about whether SAF use would impact aircraft reliability and 36% questioned whether SAF really impacts the environment at all. About one-fourth cited "lack of awareness" as an obstacle to SAF adoption.

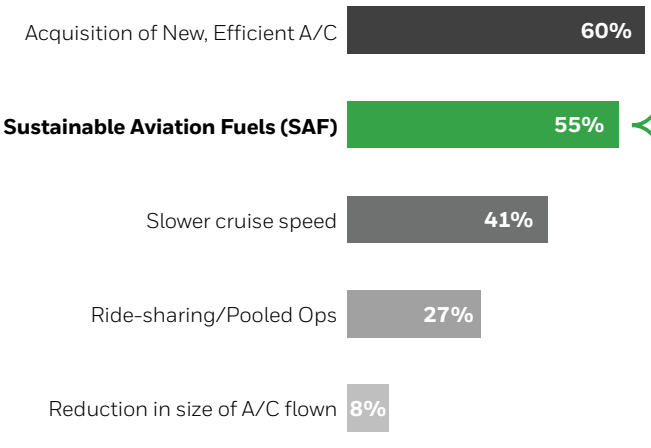
Studies by government agencies, universities and aircraft engine manufacturers – including Honeywell – demonstrate that SAF blends can be highly effective drop-in replacements for Jet A fuel. It can be used without major modifications to aircraft propulsion engines and auxiliary power units (APUs). Since such SAF blends are nearly chemically identical to Jet A, there is no discernable difference in its performance and it has no effect on engine reliability.

Depending on how it's produced, SAF can reduce greenhouse gas emissions by as much as 80% compared to conventional fuels. Honeywell's UOP operation is a leading developer of processes to produce SAF. Honeywell engines and APUs are certified now to burn 50-50 SAF blends and will be ready to use 100% SAF by the end of the decade.

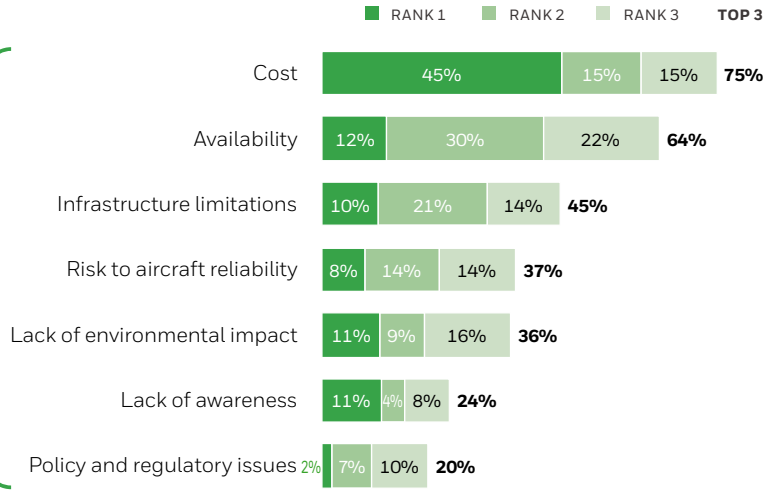
FLIGHT PLAN FOR A NET ZERO FUTURE

The global aviation industry is looking to Honeywell for today's ready-now solutions, tomorrow's game-changing innovations and future breakthroughs to save fuel and shrink flying's environmental footprint. You can read about Honeywell innovations for more sustainable aviation in our Flight Plan for a Net Zero Future whitepaper.

CURRENT SUSTAINABILITY METHODS[1]



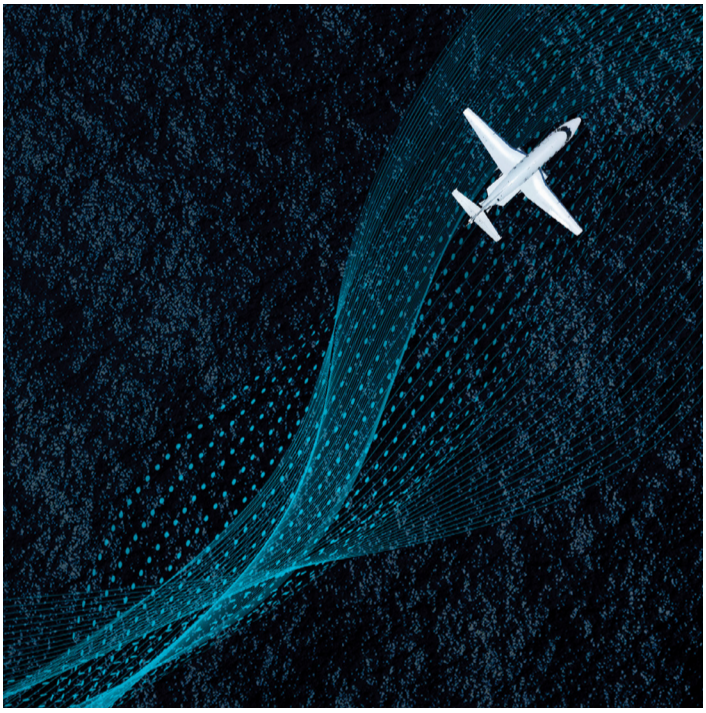
OBSTACLES TO SAF ADOPTION[2]



[1] Respondents taking proactive measures
[2] All respondents

METHODOLOGY

Honeywell's forecast methodology is based on multiple sources, including macroeconomic analyses, original equipment manufacturers' production and development plans, and expert deliberations from aerospace industry leaders. Honeywell, in partnership with Seefeld Marketing International Inc and Ad Hoc Recherche Inc, also conducted surveys of business aviation operators comprising 375 nonfractional operators representing a fleet of 1,488 business aircraft worldwide. The survey sample is representative of the entire industry in terms of geography, operation and fleet composition. This comprehensive approach provides Honeywell with unique insights into operator sentiments, preferences and concerns and provides considerable intelligence on product development needs and opportunities.



PUSHING THE LIMITS

Meet the next generation of business jets. New and refreshed aircraft models set new standards for business aviation with their roomy cabins, impressive ranges, improved fuel efficiency and breakthrough technologies.

Ready-now and ready-soon innovations include advanced avionics systems like Honeywell Anthem, the first always-on cloud-connected flight deck. Honeywell Anthem is the ideal choice for new and existing business aircraft, advanced air mobility (AAM) platforms and other aircraft types. The advanced cockpit features intuitive interfaces, touchscreen displays, an easy-to-configure layout and other features that reduce pilot workload and make flying easier.

In-flight Wi-Fi is a necessity these days and advanced satellite communications systems are essential to creating great experiences for business jet passengers. The latest Honeywell JetWave X satellite communications system takes connectivity to the next level as the first multi-network Satcom system, providing a faster, more consistent and more reliable connected experience worldwide.

↗ 15–20%

more fuel efficient than previous generation aircraft and produce fewer greenhouse gas emissions.

The current generation of business jet engines is more fuel-efficient and environmentally friendly than ever. They are one of the main reasons modern jets use 15-20% less fuel than previous-generation aircraft and produce fewer greenhouse gas emissions. Honeywell engineers are working now on a new family of gas turbine engines that will be even lighter, quieter and more powerful, while being able to run on 100% sustainable aviation fuel (SAF).

Aircraft electrification is a Honeywell strong suit, and we are already fielding electric motors, turbine generators and other systems for AAM aircraft. We also are deeply involved in the development of hydrogen fuel cells and turbines, which have the potential to power business aircraft at some point in the future.

AT YOUR SERVICE

Products and services from Honeywell Aerospace Technologies are found on virtually every commercial, defense and space aircraft, and in many terrestrial systems. The Aerospace Technologies business unit builds aircraft engines, cockpit and cabin electronics, wireless connectivity systems, mechanical components, power systems, and more. It's hardware and software solutions create more fuel-efficient aircraft, more direct and on-time flights and safer skies and airports.

To learn more about how our products, systems and software solutions can improve your operations, visit us online or contact your Honeywell representative.

Honeywell Aerospace
1944 East Sky Harbor Circle
Phoenix, AZ 85034
aerospace.honeywell.com

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