

Air show spotlights Brazil's booming aviation sector

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General aviation, which makes up the majority of the world's <u>air traffic</u>, refers to all flights other than military and scheduled airline passenger and cargo flights.

The category, made up mostly of small planes, covers corporate travel, private flying, flight training, air ambulance, police aviation, aerial firefighting, air charter, and bush flying.

At Sao Paulo's Congonhas airport, 70 planes were on display as part of the ninth edition of the Latin American Business Aviation Conference & Exhibition (LABACE), which organizers say is the second largest general aviation show in the world after the Oshkosh air show in the US state of Wisconsin.

"The general aviation market has expanded considerably in <u>Brazil</u> unlike in other countries," said Eduardo Marson, president of the Brazilian Civil Aviation Association (ABAG).

The sector soared 6.4 percent from 2010 to 2011 and should grow 4.5 to 5 percent from 2011 to 2012, he added. "But we are not immune from the world (economic) crisis," he said.

The three-day air show, which closed Friday, drew around 100 manufacturers including Canada's Bombardier, Gulfstream and Hawker Beechcraft from the United States, Europe's Airbus, and Brazil's Embraer, as well as airplane service, insurance and maintenance providers.

Last year, the show featured 60 aircraft, drew 15,000 visitors over three days, and closed with contracts worth a total of \$400 million.

There is growth in all general aviation categories in Brazil, "but especially business aviation," said Dorieldo Luis dos Prazeres, an air



control expert at the Brazilian Civil Aviation Agency.

"The economy is booming, the companies, the number of rich people and this means higher sales of aircraft," dos Prazeres said.

Brazil, the world's sixth largest economy and home to 191 million people, is a promising market for airplane manufacturers even though the government has revised downward its GDP forecast for this year to under three percent.

Commercial aviation regularly serves 130 destinations across this country that is larger than the continental United States, while general aviation serves 3,500, or 75 percent of the national territory, according to ABAG.

"For our business aircraft division, Brazil is a very promising market where our client base is growing," said Annie Cossette, a spokeswoman for Bombardier.

Leading domestic plane maker Embraer had several models on display at the show, including the \$4 million Phenom 100, which sits six to 8 passengers, and the \$53 million, 19-seat Lineage 1000, which looks like a small jet airliner.

Embraer, the world's third largest commercial plane manufacturer, delivered its first business plane in 2002 and has sold 540 to date, including 112 in Brazil. More than half of the company's sales have taken place over the past two years.

Embraer is also seeking to increase its general aviation sales in the United States, Europe and China.

"We are newcomers in this sector but business is good," said Embraer



spokesman Marco Tulio Pellegrini. "These aircraft are no longer viewed as luxury in Brazil but as a tool which makes it possible to generate more business in less time."

The growth of business aviation is closely linked to Brazil's economic activity, he said, noting that the country will host the 2014 soccer World Cup and the 2016 Summer Olympics.

Brazil boasts the world's second largest general aviation fleet behind the United States: as of 2011 it had 13,094 planes, according to ABAG figures. Of those, 25 percent are based in the economic powerhouse state of Sao Paulo.

The country has 1,650 corporate jets, used by those who can afford to escape the urban traffic chaos.

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