

undefined

## Asian Sky Group says Asia is now a seller's market

**Alud Davies** August 9, 2018 16:30 <http://corporatejetinvestor.com/articles/asg-says-asia-is-now-a-sellers-market-254/>

In the introduction to its latest quarterly report, Asian Sky Group's managing director, Jeffery Lowe, says that Asia has now become a seller's market for pre-owned business jets.

Lowe says that the market has swung almost 180 degrees in the past 12 months, adding that the first signs started to emerge in Q2 2017.

“Fast forward one year to Q2 2018 and what started as a trickle is now a flood. The market has swung almost 180 degrees and we are now seeing the emergence of a Seller's Market – lower inventory levels and rising prices.” Said Lowe.

According to a survey carried out by the company, over 400 interested responses were received, with just over half (56%) of those surveyed saying that they believe the economy is past its Low point and are optimistic about the future of the market.

Whilst the figure is an increase of 4% over the first quarter, the real shift took place in the number of respondents who believe that the economy is currently at the Lowest point.

In the first quarter of 2018 37% of respondents said that we were currently at the bottom of the cycle, but the following quarter this had dropped to 28%.

However, the number of respondents who believe that the economy has not yet reached its Lowest point increased by 5% to 16%.

The number had been falling since the third quarter of 2016 when it started from a high of 47%. In the last quarter of 2017, it had fallen to just 10% but has slowly begun to creep up since then.

The percentage of respondents that answered that the economy is past its lowest point is the highest percentage since ASG began the survey in the final quarter of 2015. When it began, a quarter of all respondents said that we were past the worst point and 45% said that the economy had not yet reached its lowest point.

Respondents to the survey included aircraft operators, owners, charter brokers, service providers and aircraft brokers. Geographically the respondents were spread out across much of the Asia Pacific region.

In Greater China, which includes Hong Kong, Macau and Taiwan, 46% of those responding said that their aircraft utilisation had increased during the period. Whilst that figure seems high, it is a 14% drop from the 60% of responses that indicated this in the first quarter. ASG says that it is the first time that utilisation has not been increasing since the second quarter of 2016.

Aircraft utilisation did keep increasing in southeast and northeast Asia, continuing its growth spurt that began in the second quarter of 2017. In Q2 2018 it had grown a further 9% to 70%.

8/10/2018

Asian Sky Group says Asia is now a seller's market | Corporate Jet Investor

Mr Lowe cautions that although most signs are positive, we could be heading into a period of uncertainty, driven by the region's biggest economy and business-jet market:

“Now, we're seeing a slight change in mood as pessimistic feelings toward the economy are popping up, with Mainland China being the main influence. The cause? There is, of course, great debate, although most would point a finger at the volatile trade climate between the US and China.”

Social media **Share this article**



[Print this article](#)