

Business Aviation Study Switzerland 2022

Impact - Benefits - Trends

Ludwig Haeberle
Wolfgang Stoelzle
Tim Felix Sievers



Management Summary

Business Aviation plays a vital role within the aviation industry in connecting Switzerland with Europe and the world by providing fast, secure and reliable passenger transport between distant and remote areas. The value of Business Aviation for Switzerland is based on the advantages associated with the connecting function of Business Aviation with regard to distant places in Europe and around the globe, which make a significant contribution to the attractiveness of Switzerland as a relevant location for companies, organizations and professionals with an international orientation. Jobs directly and indirectly created and secured by beneficial Business Aviation framework conditions contribute to Switzerland's prosperity.

Business Aviation has increasingly become the subject of controversial debates about the aviation industry and the question as to the extent to which it provides a necessary business tool to enhance personal mobility. Critical voices bring a ban on smaller aircraft or private flights into play.

Business Aviation is an industry with limited visibility to the general public, and little is known about it. Some people are skeptical about the use of Business Aviation and may not value its benefits. For many users of Business Aviation, on the other hand, it is an indispensable business tool whose importance in connecting people, countries, and continents became apparent not just in light of the COVID-19 crisis. The Business Aviation industry bucked the General Aviation trend in 2020 and 2021, showing growth and attracting new customer groups worldwide. During this time, the high flexibility of Business Aviation and its safe way of getting from A to B efficiently proved its value. Professionals and companies had to rely on business aircraft in times of thinned airline networks and travel restrictions - the crisis in the aviation industry gave new impetus to the Business Aviation business model and its unparalleled benefits.

In 2021, Switzerland recorded close to 100,000 Business Aviation aircraft movements - more than in 2019. In light of the general crisis in aviation and slow recovery, this temporarily increased the share of Business Aviation in total aircraft movements to 27 %.

The Swiss example reveals the impressive increase in the relevance of Business Aviation due to the COVID-19-related cancellation of scheduled flights. It becomes apparent that need for personal meetings in the private and business context is unbroken. In the short and long-term, virtual meetings are expected to replace only a certain proportion of business meetings - visiting conferences or production sites and initiating and closing contracts often require personal meetings.

Beyond business purposes, there are further areas of application that are rather unknown to many and therefore need to be given more attention. Business Aviation is regularly used in medical emergencies, providing fast and safe transport of patients from remote regions or to specific medical facilities far away - saving lives not only during the COVID-19 crisis. About 2 % of all European Business Aviation flights serve medical evacuations.

The functional interaction of time benefits, flexibility, benefits in terms of convenience, reliability and safety, and societal benefits makes Business Aviation an important industry and market player for various stakeholders.

Switzerland is considered an outstanding location for the headquarters of multinational companies and international organizations, not least because of its exceptional air traffic network. All Swiss airports can be reached within 1-2 hours by car or train, from which the major European capitals can again be reached within two flight hours. In this context, Switzerland's regional airports constitute the backbone of the highly efficient Swiss air passenger transportation system - which is made possible by Business Aviation.

Management Summary

Furthermore, 90 % of all Swiss Business Aviation routes are almost impossible to reach directly by scheduled flight.

In addition to the three national airports, Zurich, Geneva and Basel, the 35 smaller regional airports with Business Aviation operations contribute significantly to the high-performing infrastructure of the Swiss air traffic network. The numerous regional airports take a relief function for the three national airports. Moreover, Swiss regional airports are often used by Business Aviation in case of capacity bottlenecks or due to their proximity to the final destination. Payerne airport, for example, recorded an enormous 763 % increase of flight movements in 2021 compared to 2016, after opening the airport for civil aviation besides military operations.

Geneva Airport (GVA) has the largest share of Business Aviation flight movements in Switzerland accounting for 32 % of Switzerland's Business Aviation market, while Zurich Airport (ZRH) ranks second in terms of Business Aviation flight movements with a national market share of 27 % in 2021. However, there are limits to Business Aviation aircraft movements at the two major national airports nearly operate at maximum capacity in normal times and exceeding slots at peak times.

(Swiss) Business Aviation operated significantly more flights in 2021 than even before. However, it remains to be seen how resilient the Business Aviation market will perform in the face of further crises such as the war in Ukraine combined with the Russian sanctions, as well as other unforeseen events in the future.

In the ecological area of tension, Business Aviation faces an area of conflict. On the one hand, the CO₂ emissions per passenger are higher than in commercial flights - however, Business Aviation overall contributes only a small share to the CO₂ emissions of aviation.

On the other hand, Business Aviation serves as a pioneer for sustainable aviation innovations, which are usually first implemented on smaller business jets and then adapted and adjusted for larger aircraft. Business Aviation in particular has the opportunity to be an implementer and frontrunner for innovations in the aviation industry and to establish long-term technological and sustainable innovations in the aviation industry.

Business Aviation needs to be clear about its core missions and its major concerns:

- Which customers will Business Aviation target in the future and how will the customer segment evolve?
- Which future flight routes will be demanded by Business Aviation customers?
- Will Business Aviation be an ecological outcast or will Business Aviation drive the change and create economical, ecological, and societal impact among industries?

Innovative propulsion technologies, sustainable aviation fuels, and more efficient aircraft in combination with emerging business models such as digitally integrated mobility platforms need to be at the heart of these strategies. Business Aviation has the unique opportunity to become part of and shape an ecosystem of integrated modern and environmentally friendly mobility options.

Facts & Figures

1. Business Aviation Impact on National Level

- **>160 %** growth of BizAv market share in Switzerland in 2021 compared to 2019
- **34,100** direct and indirect jobs*
- **>15 Billion CHF** annual economic output*
- **35x** Swiss airports can be served by BizAv
- On average **3x** more BizAv flights per capita of the Swiss population compared to EU 27 countries
- Geneva and Zurich among the **Top 4** busiest BizAv airports in Europe in 2021

*pre-COVID-19 levels

2. Business Aviation Impact on Geographical Areas

- **11.6 %** average growth of all Swiss BizAv airports in terms of flight movements in 2021 compared to 2019
- **32 %** Swiss BizAv market share of Geneva Airport (GVA)
- **27 %** Swiss BizAv market share of Zurich Airport (ZRH)
- **Regional Swiss airports form the backbone** of the Swiss BizAv network
- **763 %** growth of (BizAv) flight movements at Payerne Airport in 2021 compared to 2016

3. Stakeholder Analysis and Customer Benefits

- **88 %** of the Top 50 of *Forbes Global 2000* leading companies are business aircraft users
- **86 %** of BizAv flights carry marketing and sales personnel, technical and engineering personnel, middle managers and corporate customers
- **90 %** of all Swiss BizAv routes are almost impossible to reach directly by scheduled flight
- **150 %** increase in passenger/employee productivity by using BizAv
- **>2h** time savings with a BizAv flight compared to commercial flights

Facts & Figures

4. Utilization Strategies and Location Factors

- **1-2h** accessibility of all Swiss airports by car or train
- **<2h** by plane to reach the biggest European capitals
- **>15,000** flights per year are carried out by business aircraft for humanitarian missions
- **2 %** of all European BizAv flights are used to serve medical evacuations
- **>850** headquarters of international companies and organizations are located in Switzerland

In the increasingly fierce international competition between locations, **the availability of a nearby Business Aviation airport is a non-negligible location factor for many companies.**

"For large companies, Business Aviation is an argument, but on the other hand, the airport network is very good in Switzerland. It is the biggest advantage of choosing Switzerland compared to other countries."

Business Aviation has been at the forefront of innovation since the dawn of aviation. More than ever, the industry is in flux, bringing new modes of transportation and new applications to market. At its core, Business Aviation embraces the future and how to reach it faster.

Adopting innovation in Business Aviation bridges the gap between technology trends and sustainability trends - **even if progress seems slow, it will inevitably come.**

Business Aviation is regarded the Formula 1 of the aviation industry - it drives innovation paving the way for advancements in the international aviation sector

5. Trends and Market Development

- **+5.8 %** Swiss BizAv market growth compared to 2019
- **+35 %** growth of Swiss BizAv flights movements from Sep. 2019 to Sep. 2021
- **+11.64 Billion CHF** worldwide business aircraft market size development until 2028
- **76 %** of aircraft demand until 2040 will be primarily in the small aircraft segment
- **0.04 %** of the global CO₂ emissions are caused by the BizAv sector