The State of *Business* Aviation 2025

MARTYN FIDDLER

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Welcome to the Martyn Fiddler series examining the state of Business Aviation in 2025.

Over seven chapters, we will share insights, trends, and strategies drawn from extensive conversations with clients and industry leaders worldwide.

The Martyn Fiddler Team

For more resources and guides visit martynfiddler.com

Adapt or ...: *Plotting a course through chaos*

Our goal is to help you navigate uncertainty and find opportunities hidden within the challenges ahead. And we hope to continue these discussions (and many more) at events, conferences and calls throughout 2025 and beyond.

There are recurring themes across the business aviation landscape, and we want to share these insights to help set your plans for 2025, or alternatively to start a conversation on business aviation and its long-term future.

We at Martyn Fiddler believe there are seven key themes that will drive Business Aviation in 2025;

1. **Moving To An Adaptive Strategy**
2. **Tax The Rich**
3. **The Advice That AI Wrote**
4. **Digital Twins, Supply Chain and Engines**
5. **The European Problem Child**
6. **Make Energy Great Again (MEGA)**
7. **Margin Call**

2024 was the 'year of the vote'.

Over 30 significant government elections took place worldwide in 2024, each marked by campaigns mixing fact and fantasy to win power. The widening of the 'Overton window' allowed previously taboo ideas to enter mainstream political debate, driving significant ideological shifts.

2025 is the 'year of the outcome.'

Whether an election result is celebrated or commiserated, the world keeps turning. Actions—in the form of elections—have consequences. Our newly elected governments and their leaders will try and shape the next few years. Business aviation needs a clear flight path to respond effectively and remain relevant.

For business aviation, *adaptability is key.* From Europe's shifting regulations to emerging luxury tax policies, new fuel extraction strategies adding volatility, and recent vulnerabilities exposed in engine supply chains, owners and operators must act decisively. The growing reliance on AI-generated advice further challenges traditional decision-making approaches.

Chaos creates challenges and opportunities. We see opportunities hidden within each of these challenges and we look forward to discussing these insights with you.

Moving Towards an *Adaptive Strategy*

To understand the state of business aviation today we need to create a framework for how we face the challenges ahead. Why is this important? Politics, shifting regulations, economic pressures and technologies are reshaping our industry. Adapting successfully means embracing flexibility, rethinking traditional approaches, and being ready to respond to deveopments as they happen.

When writing about the state of the industry in 2025 it is impossible to avoid one thing: the impact of politics. Events, policy decisions, and political choices are occurring so quickly that accurately predicting future political, cultural, and business conditions resembles consulting tarot cards or reading chicken entrails for guidance. The difficulty is that business aviation must continue to operate despite this ongoing uncertainty.

The starting point for addressing this is acknowledging, as Rishad Tobaccowala writes, that ***"the future does not fit in the containers of the past."*** New ideas, technologies, challenges, and opportunities require fresh perspectives, flexible approaches, and the willingness to rethink traditional assumptions.

Adapt what is useful, reject what is useless, and add what is specifically your own.

BRUCE LEE

Martyn Fiddler proposes adopting an 'adaptive strategy'. What does this mean?

Adaptive strategy means recognising that the only genuinely sustainable competitive advantage in a complex, changing environment is the ability to continually adapt. Traditional business thinking often mistakenly assumes a single correct strategy can ignore change or at least neutralise a changing environment by having the 'right' strategy.

> ***Adaptive strategy differs fundamentally from common business clichés. Instead, it suggests the strongest competitive advantage any business can have is the capacity to adapt continuously.***

Adaptive strategy does not mean reinventing the business repeatedly. Instead, adaptive strategy is about rapidly building on existing methods to create results that surpass the original capabilities. When proven methods aren't available, adaptive strategy results in rapidly discovering or developing new approaches.

According to the Boston Consulting Group, “***Unlike the standard business school approach of sustainable competitive advantage, an adaptive approach to strategy rests on the idea of serial temporary advantage. In unpredictable and non-malleable environments, the emphasis is on continuous experimentation and real-time adjustment rather than on long-term analysis and planning. Since advantage is temporary, the focus is on means, not ends.”***

Many successful businesses demonstrate how adaptive strategies help them thrive. Lego, for example, recognised the shift in play preferences among younger generations: ***‘Lego collaborated with tech companies to integrate digital elements into its traditional brick sets. This adaptation appealed to a new generation and showcased Lego’s ability to respond to consumer preferences while staying true to its core product.’***

Managing political uncertainty presents a significant test of adaptive strategy. The political situation in 2025 has moved away from traditional diplomacy, becoming transactional, confrontational, and unpredictable. This volatile political atmosphere risks causing businesses to drift away from their core values and good practices that made them respected employers. Therefore adaptive strategy is not adaptive values.

Ian Leslie, respected author, blogger and writer, provided some comfort about the political influence on business in his article ‘The Great Vibe Shift’.

Leslie notes that while the new US administration looks to remove equality and diversity policies with ‘great gusto, triumph and verbosity’, many leaders will continue to do good business work even without these rules. Leslie writes ***“most leaders instinctively believe that you should hire and promote people on individual merit; avoid internal divisions wherever possible; treat people the same regardless of race or gender; do the work in front of you rather than debate politics; show up every day and work hard unless you absolutely can’t. These are common sense principles of successful and thriving organisations”.***

However, balancing core values against unprecedented political pressure is easier said than done. Certain high profile law firms in the USA (Paul Weiss, Skadden Arps, and Willkie Farr & Gallagher to name a few) have recently attracted unwanted media attention. The firms were hit by executive orders which banned them from appearing in court due to political claims their ‘work on progressive causes undermined the judicial system and [their] pro-diversity hiring policies were illegal’ according to the Financial Times. However, rather than litigate, the firms ‘cut a deal’ with the government; the executive order has been cancelled for those firms who made concessions which include over $200 million in pro-bono legal services ‘on issues important to the president’.

> ***For business aviation, the next year will require remaining connected to their core values, even if political conditions become challenging. Retaining existing staff and recruiting new employees will depend heavily on adaptive thinking, positive leadership, and reliable governance. Maintaining strong values and clear leadership will help businesses adapt successfully to political uncertainty.***

Tax the *Rich!*

Calls to 'tax the rich' are in the headlines and they are shaping policy. From APD hikes to luxury surcharges on private aviation, governments are targeting wealth and emissions at the same time. **But will it work?** And what are the risks to business aviation? We explore what's happening, what it means, and why it may backfire.

NGOs, the media, and academics are constantly talking about a 'wealth' or 'luxury' tax on a country's richest citizens. And governments appear to have taken the bait.

On 30 October 2024, the UK Government revealed their new budget plans which included significant increases for air passenger duty (APD) payments. ***"This measure may therefore impact individuals who travel by air, who may see an increase in air fares. Those individuals who travel in a non-economy class and by larger, more luxurious private jets may see a bigger increase."***

Starting in April 2025, there was a 13% increase for commercial airline passengers and a 50% increase for those travelling in a business jet. In simple terms this was a tax of between £14 to £224 (depending on distance travelled) per passenger travelling business class or above on commercial airlines, and £84 to £673 per passenger departing the UK on a business aircraft.

In a more dramatic move, the French Government has enacted the 'Chirac tax', a surcharge on the civil aviation tax which became effective on 1 March 2025. For long-haul business class flights, the tax on airline tickets would triple, increasing from €60 to €200 per ticket. For business aviation, the tax would jump to €2,100 per passenger for long-haul flights.

France has the busiest business aviation routes in Europe and the industry is incredibly concerned of the effect this will have on their businesses and livelihoods.

But what is a luxury tax? According to Investopedia it is a ***"sales tax or surcharge levied only on certain products or services that are deemed non-essential or accessible only to the super-wealthy"***.

The logic appears to be irresistible: the rationale is to reverse the age-old trend of rising inequality and to move society in the opposite direction, that of promoting equality. Who does not want that? Who is against inequality? Who is against getting more revenue from those most able to pay while reducing the burden on the needy?

> **The super-rich must foot the bill for their carbon footprint, not ordinary Europeans. This means more taxes on the super-rich, like weath taxes on superyachts and private jets.**

CARBON INEQUALITY KILLS
OXFAM REPORT 29 OCTOBER 2024

Unlike job centres and hospitals, wealth tax proposals are free to create and you can make them as extravagant as you like. A group of 30 MPs, including Diane Abbott and the Green leader Carla Denyer, claim a wealth tax would raise £24 billion a year in the UK, but why stop there – Tax Justice claims $2 trillion could be raised globally by taxing the assets of the super-rich.

The real question is: do they work?

Wealth taxes have been tried repeatedly in the past by many countries, and failed. All luxury and wealth taxes face the same barrier – valuing people's 'stuff'. In countries where wealth taxes currently persist – such as Norway and Switzerland – they do so because they're a substitute for capital gains and inheritance tax.

There is a balance that must be made against the backdrop of what the top bracket wealthy people in a jurisdiction make, and what they contribute back into society outside of a luxury taxes.

As it happens, wealthier people already put up with high tax bills. A third of UK income tax comes from the 1%. The very wealthiest shoulder a historically high proportion of the tax burden. Analysis by the Institute of Fiscal Studies suggest the top 1% of earners contribute about 29% of all income tax, up from 25% in 2010 and 21% at the turn of the century. As such, incremental increases in indirect taxes impacting a higher wealth bracket will only cause small amounts of pain, and if done correctly, not enough pain to cause them to leave the jurisdiction for a more tax favourable one.

In many cases, the wealthiest in society are big employers and contribute significant economic benefits to society through taxes, spending and promotion.

A PWC study from December 2023 demonstrated that the 100 largest listed companies in the UK contributed £90 billion in taxes – representing 10% of Government tax income.

The October 2024 UK budget increased employer national insurance contributions, capital gains taxes, inheritance taxes, property taxes and more; these hit business owners the most. Further penalising those business owners with taxes on their perceived wealth could be the feather that causes the goose to honk in terms of convincing them that there are numerous jurisdictions with better taxes, climates and business friendly governments.

Indian born steel magnate Lakshmi Mittal is Britain's seventh wealthiest person, according to the latest Sunday Times Rich List, and one of the country's best known 'non-domiciled' residents for tax purposes. In the past, he could shield his considerable overseas assets from UK income and capital gains taxes yet enjoy all the benefits of life in this country.

With the change in the tax regime, Mittal has now made it clear that is a step too far and he is 'considering' leaving the UK. Mittal is not the only one: in 2024, nearly 1,000 high net worth individuals from the UK relocated to Dubai, contributing to a broader trend of wealthy individuals moving to the United Arab Emirates (UAE). A London-based investment migration consultancy predicted that a total of 6,700 millionaires would move to the UAE by the end of the year, with a significant portion coming from the UK.

> The art of taxation consists in so plucking the goose as to obtain the largest possible number of feathers with the smallest possible amount of hissing.
>
> JEAN-BAPTISTE COLBERT

At present, the only 'net positive' of increased taxes aimed at the rich appears to be in press headlines rather than net tax revenue. Complex and onerous tax regimes often create the opposite result to what was intended. However, it is unlikely that Governments are going to reverse the momentum anytime soon. The era of 'tax the rich' is here already – and many governments believe that implementing such taxes will be net positive.

The advice that *AI wrote*

As AI becomes more prevalent in tax advisory services, understanding the risks and liabilities associated with AI-generated tax advice is crucial. While AI can process data quickly, it often lacks the nuanced understanding of tax laws that human experts have. This can lead to fundamental errors, such as misinterpreting tax codes or missing important details specific to an individual's situation.

For example, incorrect tax filings are a major risk. AI might overlook deductions or misclassify income, leading to inaccurate tax returns. The taxpayer is ultimately responsible for these errors, which can result in financial penalties and legal issues. A recent review by the Washington Post found that two leading tax preparation companies' chatbots provided inaccurate or irrelevant responses up to 50% of the time when asked complex tax questions. Further, according to a recent study, errors in AI-generated tax advice have led to an increase in audit rates by 15%.

AI systems rely on the data they are trained on. If this data is outdated or biased, the advice can be flawed. Human oversight is crucial to review and validate AI-generated tax advice. Tax professionals should use AI tools to supplement their expertise, not replace it. Their ability to understand context and provide personalized advice is invaluable.

Human oversight

The previous three paragraphs have all been written by Chat GPT. See how it is incredibly convincing with the appropriate prompts. It is a useful tool for business. There will be a point in the future where the line is blurred between the human and the machine, and the efficiencies will be great. However, we are not there yet!

The artificial advice (and how it all went terribly wrong).

For most people who work in professional services – whether law, tax, finance or logistics – the key service sold, whether formal or informal, is advice. The advice will be specific to the profession of the advisor and the industry or specialism in which they sit. The purpose of most advice is to solve a problem presented by the person or business requiring assistance.

The professional services industry is big money – for example, the hourly rate of large legal firms in London has now moved above £2,000 per hour. As a result, there is high competition between each firm and clients can gain or lose a reputation depending on who they use for advice. This can often make it difficult when someone has to choose what type of advice they require and who should provide it.

What makes good advice?

Most professionals would agree good advice should be:

- **Reliable and enforceable;**
- **Focused on finding a solution;**
- **Tailored to the client's needs;**
- **Accurate, clear, compliant and current in terms of any rules, and;**
- **Strategic guidance that helps the client manage obligations, responsibilities or liabilities efficiently both in the short and longer term.**

So, what is bad advice?

Many of us have had experience of advice, which is late, lacks clarity, looks out of date, causes time delays or is just vague and badly written. However, the worst advice is that which not only costs the purchaser millions in additional fees and penalties but also puts them at risk of getting a criminal record.

While many professional advisory firms will provide 'war stories' of when advice has gone wrong, and wax lyrical of the good, bad and ugly of advice they have seen elsewhere – a new day is dawning in the stories of the advice terror – the advice which AI wrote!

The advice that AI wrote...

In 2024, Martyn Fiddler was asked to review client advice provided by another tax firm. The client explained they were suspicious the advice was too vague and appeared out of date. Even though they had paid for their advice the client wanted a second opinion before they embarked on a tax strategy which would mitigate the payment of over £10 million in VAT.

It turns out that getting a second opinion is possibly the best decision they have ever made. On a review of the advice, it was immediately clear this was not produced by a tax advisor and more than likely by an AI creation.

The tell-tale signs were all there:

- **Mixed terminology in respect of tax and VAT, most of which are out of date;**
- **Non consistent reference to the asset type being advised upon;**
- **Grammatical errors, language inconsistencies and spelling mistakes which are due to 'lifting' of text from websites;**
- **Use of overly verbose and dramatic language;**
- **Inconsistent voice.**

Tax advice is about context, judgement, accountability and experience earned through years of navigating complexity.

More importantly, the advice was wrong! This example is not just a cautionary tale about AI - it's a reminder of what real expertise looks like. Advice, in the context of business aviation and wider professional services, is more than simply information delivery. It is context, judgement, accountability and experience earned through years of navigating complexity.

A misplaced word, an outdated rule, or a misapplied concept that lacks human judgement can be expensive failure in high-stakes sectors like tax, law, and aviation. Accuracy is not optional.

AI has a place. It can draft, summarise, and offer first-pass outputs that help professionals work faster. But it cannot yet replace the value of trusted advisors who ask the right questions, challenge assumptions and carry the weight of responsibility.

As Nassim Nicholas Taleb famously said, ***"Never ask a barber if you need a haircut"*** - advice only becomes valuable when the person giving it has skin in the game. The client in our case didn't just dodge a costly tax error - they avoided reputational risk and legal exposure. That came not from the machine, but from the professional who knew what to look for, and what not to trust.

Digital Twins, *Supply Chain & Engines*

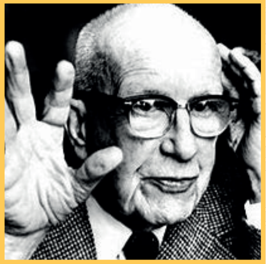
Supply chains remain a pain point for every sector. In business aviation, the problems are far from abstract. Delays, parts shortages, and the long wait for replacement engines are grounding aircraft, frustrating owners, and putting pressure on the value of engine programs.

Many operators are left waiting with no clear answers, especially when older aircraft are involved.

At CJI in London, the mood was plain: whether it's scheduling maintenance, sourcing parts, or getting technicians in place, the whole system feels out of sync.

Yes, there are more staff as talent moved from commercial aviation to business aviation. However, the technology shortage is getting worse than the people shortage. Frustrations with the OEMs are felt right across the board. Many OEM's only focused on the more expensive, newer, larger jets as that is where they make the most money – as well as the financing options being better.

A major source of friction is engine availability. Problems with cost of overhauls, maintenance and lack of loaners are making engine programs less attractive and a real risk/reward question for the owner. In some cases, a routine boroscope inspection during a pre-purchase review reveals a problem. If there's no loaner engine available—and increasingly, there isn't—the aircraft stays on the ground. We all know that even one day on the ground has a huge impact on utilisation.



"You never change things by fighting the existing reality. To change something, build a new model that makes the existing model obsolete."

BUCKMINSTER FULLER

What is a potential answer? The solution isn't just more inventory or more staff - it's better planning.

'Digital twin' technology may offer a way forward. Digital twins create a virtual replica of an aircraft's systems - engines included - and use real-time data to model performance, anticipate wear, and predict failure before it happens.

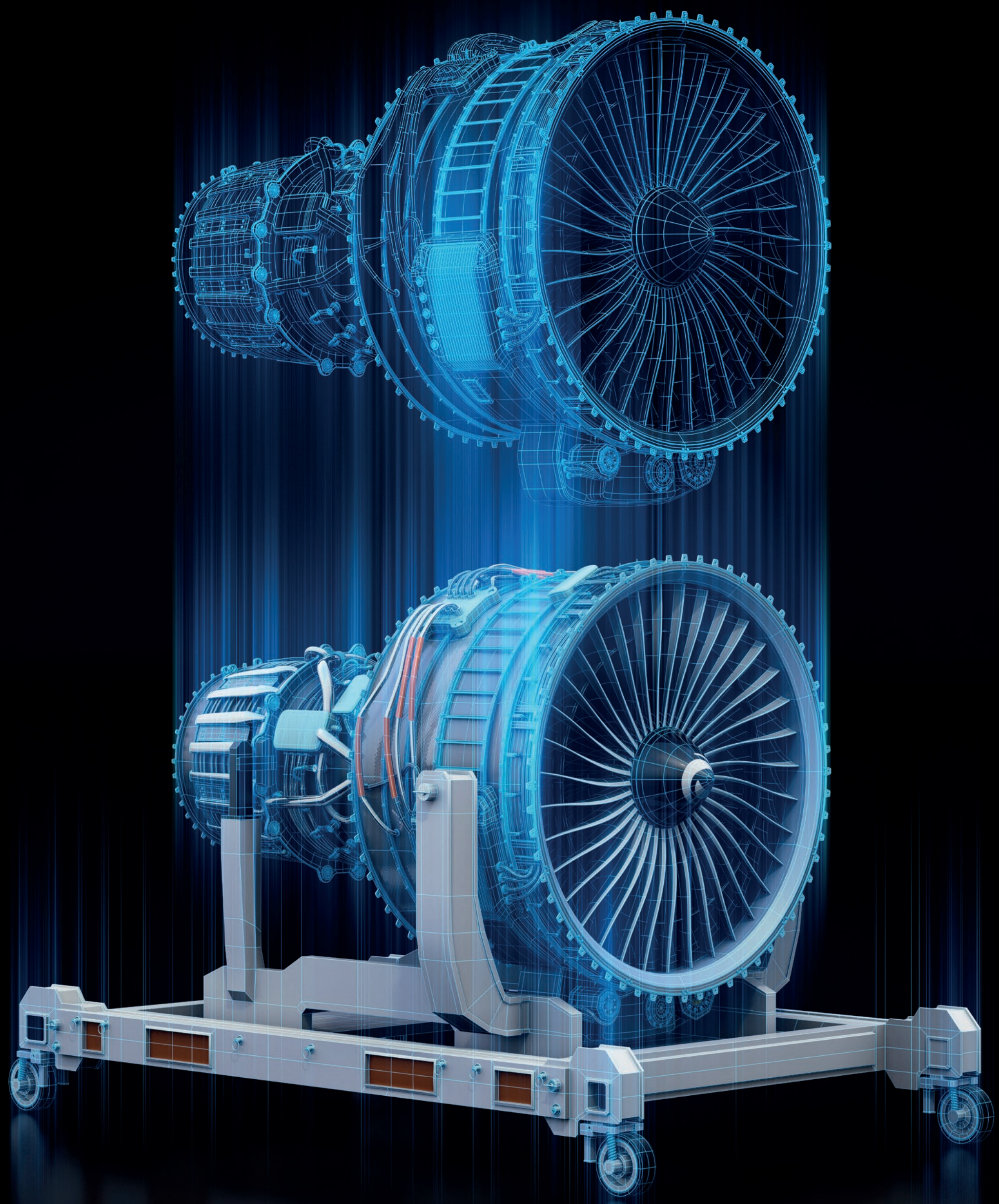
This is not a theoretical exercise. A digital twin built around an aircraft's maintenance history and sensor inputs can offer a clearer picture of engine condition than a one-off inspection. For newer aircraft, this kind of predictive modelling could reduce the need for invasive boroscopes, limit surprise findings, and allow for better scheduling of shop visits. That means fewer surprises and more certainty in ownership.

The snag? Not every aircraft is ready for it. Older models lack the sensor infrastructure needed to generate the right data. Even with the data, most MROs and operators don't have the technical teams in place to build and use a digital twin. There's also the question of training. Skilled engineers are in short supply. Data scientists even more so. It's not a question of throwing software at the problem—it's about finding people who know how to use it, and making the investment to support them.

Digital twins won't fix everything. But they're a good example of the kind of solution that could shift the conversation—from reactive maintenance to predictive planning.

The key for business aviation is to be adaptive. Not every aircraft will require this approach. However, for operators looking to avoid grounding events, reduce overall risk, and make better decisions about fleet health, digital twins could be the right tool for the right job.

The broader point is this: in an environment where parts are scarce, people are stretched and downtime is expensive, new ways of thinking and new technologies are essential.



The European *Problem Child?*

Europe remains the second-largest market for business aviation, yet many within the sector describe it as difficult. Why? Reasons include: overbearing regulation, costs are high, negative public opinion about business aviation is reinforced by politics and media that say that the sector is unsustainable and anti-green.

The sustainability of business aviation places a target on the sector in Europe. Even though business aviation the sector made up just 0.8% of aviation emissions in the EU last year, it still draws strong and emotional reactions: business jets are highly visible, used by the wealthy, and are perceived seen as unnecessary. Their role in providing flexible business travel, supporting businesses and investment, or supporting emergency services rarely changes the public conversation.

However, Europe's position as a world leader in sustainability is pointless if the rest of the world are not interested and particularly in comparison with growing markets in the Middle East, India and Asia.

A survey of aircraft owners by TAG Aviation in 2024 revealed that most owners felt their environmental impact was important but not their priority. Moreover, those owners felt a focus on the sustainability of business aircraft was a distraction; business aviation is a tool – their focus was making their own business sustainable as the comparable positive impact on the global environment was far greater.

Not just the environmental problem...
European rules around aircraft certification, operation, and maintenance are known for being stricter than those in North America. The European Union Aviation Safety Agency (EASA) often applies tighter limits on noise and emissions. Manufacturers can face long delays and higher expenses before bringing new aircraft into service.

Coordination across the region remains uneven as Europe imposes more charges across almost every point of operation. Fuel is more expensive. Airports apply higher landing fees. Passenger taxes on private flights are already in place in some countries and could expand further.

Different rules between national airspace systems also remain a problem. Pilots deal with varying classifications, procedures, and communication standards. All of which can slow flights, increase fuel use, and add workload for crews. Comparison of Business Aviation Regulations: Europe (EASA) V North American (FAA).

FEATURE	EUROPE (EASA)	NORTH AMERICA (FAA)
Geographic Coverage	All EU member states, some United States. responsibility for non-EU aircraft within EU airspace.	United States.
Environmental Certification	More stringent requirements.	More flexible approach.
Noise Reduction Standards	Higher standards.	Less stringent standards.
Operation & Maintenance Regs	More prescriptive, regular checks and audits.	More hands-off, operator has more control.
Approach to Safety Oversight	Prescriptive, focus on enforcing specific.	Risk-based, focus on identifying and managing risks.

- **Recent fuel tankering rules from the EU have added further pressure;**
- **Operators flying over 500 departures from EU airports each year must show that 90% of their fuel uplift happens within the Union;**
- **Tracking and reporting this creates extra work and leaves less room to make cost-saving decisions around fuel sourcing;**
- **Non-compliance brings fines.**

But is it really that bad?!

The sceptical (or perhaps naive and hopeful) argument is there are both short-term and long-term views on the profitability of business aviation in Europe. Figures provided by ARGUS in 2024 showed Europe as the second largest aviation market by movement and its activity was expected to be ahead of North America in 2025.

The UK leads the European area in terms of aircraft movements. France, Germany, and Switzerland all support busy networks. Research by Oxford Economics shows that the sector supports around €100 billion in annual economic activity and hundreds of thousands of jobs.

What about the environmental challenges?

There are also many environmental and sustainable opportunities. Europe is home to many firms working on lower-emission flight and alternative fuel options. The same pressure that makes business aviation harder to operate in Europe may also drive progress faster than elsewhere. The sector's future in this region may depend on its ability to move early and visibly on emissions.

Europe's reputation as a difficult market isn't without cause. But calling it the 'problem child' overlooks its strategic importance, economic weight, and long-term potential.

The European Business Aviation Association (EBAA) and others are actively pushing for progress—advocating for balanced regulation, broader SAF adoption, improved infrastructure, and better public engagement. These efforts matter and we at Martyn Fiddler believe the industry should get behind all of these initiatives.

Make Energy *Great Again*

"It is time to make energy great again", according to the CEO of the international investment arm of United Arab Emirates state oil company ADNOC, Sultan al-Jaber, mirroring the Make America Great Again slogan of U.S. President Donald Trump. Sultan al-Jaber believes that he is a 'climate realist'.

This is all a far cry from the heady days of 2019, when the Chair of BP, Helge Lund declared that BP would reimagine energy for people and our planet. BP spent years moving away from its established oil and gas business, but at BP's investor day in February, chief executive Murray Auchincloss promised a ***"fundamental reset"*** of BP's strategy. He said the company would cut spending on green energy by 70% and sell $20 billion of assets in the next two years.

US based hedge fund Elliott Management has taken a stake in BP and wants the business to selling its solar and offshore wind power businesses.

Contrast BP with Lego: Lego is paying up to 60% more for plastic resin made mostly from renewable or recycled material in an effort to become fossil-free, a move financed by big increases in sales and profitability.

Niels Christiansen, the CEO of Lego, has said that 30% of all the resin bought in 2024 was a blend of fossil-fuel material and recycled or renewable sources, such as used cooking oil. And, in contrast to BP and ADNOC's worldview, these new Lego 'ingredients' are 50% or more expensive **BUT** Lego do not pass that on to the consumer. It comes out of the Lego EBIT [operating profit].

Lego's stated object is that it is trying to stimulate demand among plastics producers to increase the supply of greener raw materials to achieve its 2032 goal of making all of its products from renewable and recycled materials.

We have ADNOC and BP on one side of the scale and Lego on the other. **So, what does all this mean for business aviation?**

First of all, you could consider that a sustainability 'story' or target is no longer needed. You could take you cue from ADNOC or BP and also point to other evidence such as the fact that green financing is reducing.

You could also point out that the role of geopolitics will continue to play a part and that cries to increase APD will happen – but will not impact usage of aircraft.

You can also argue 'flying sustainably' is not a priority among both the public and the business aviation users and point out that anti-business aviation protestors would not change their use of their aircraft.

Or, you could argue that business aviation is looking towards SAF and other technologies to operate sustainably.

However, the reality is that sustainability is a 'megatrend'.

Private aircraft buyers are actively making more choices about sustainable or environmental effects – it is now part of the decision-making process. Many in the industry argue that if SAF was more readily available they would pay the additional to use it.

So where does business aviation fit between ADNOC and LEGO? Somewhere in the middle is the reality; it is still deciding which direction to take.

The pressure is real.

Europe is using regulation to push SAF adoption. The EU Taxonomy leaves business aviation out of the picture entirely. Meanwhile, CORSIA and the EU ETS add complex reporting requirements and create real costs and that's not going away.

However, whether it is MAGA or MEGA, business aviation should forget ideology, instead it needs to embrace ideas – ideas for the future of business aviation.

There is good news: generation by generation, aircraft are getting more efficient, and even though hydrogen and electric are still distant options, OEMs are innovating. The next generation of business jet users won't accept a strategy that ignores emissions. Europe is perceived to be using a 'stick' only approach to sustainability, however, there are some carrots once you start digging into the mandates. On the other hand, the U.S. has made a full 180 in terms of its sustainable approach with a removal of both stick and carrot and a positive turn towards fossil fuels. This might shift in the future, but either way, there is no path back to business as usual.

With America's drill baby drill attitude, many international jurisdictions are now seeing an opportunity to take the lead in sustainability. The PM of Canada, Mark Carney, is already suggesting that Canada will leapfrog USA as leaders, while the UK and Europe are becoming more vocal and emboldened. We can do the same in business aviation. The tools are on the table, and we must now decide how to use them.

Margin Call: *“Be first, be smarter, or cheat.”*

That’s the advice delivered by the Jeremy Irons character in Margin Call, just after his team discovers the firm is sitting on billions in toxic assets. His character is explaining the rules of survival in a financial crisis. What follows is not a thriller in the traditional sense. There’s no chase scene, no fraud, no villain in the shadows yet it still works as a metaphor for finance, fragility, and the illusion of control.

Business aviation isn’t Wall Street. But some of its biggest players have adopted financial models that would not be out of place in a movie.

The illusion of control

Over the past decade, business aviation has grown through access to capital. Subscriptions, prepayments, private equity, debt-backed expansion—these have propped up business models that work well on paper. But aircraft aren’t spreadsheets. They require fuel, engineers, parts, and crews. You can’t trade your way out of a maintenance event.

That’s where the stress begins to show.

One of the biggest names in business aviation is VistaJet – a story of ambition and leverage. VistaJet was built by Thomas Flohr—an ‘asset finance guy’ by his own description. VistaJet acquired aircraft aggressively, struck deals with Bombardier that helped keep the manufacturer afloat, and locked customers into long-term jet card contracts. By 2024, Vista had one of the largest fleets in private aviation.

Behind the glossy marketing and Global 7500s, the numbers are troubling. Vista has racked up $4.4 billion in debt. Over four years, it posted $436 million in net losses. It reported customer prepayments of $831 million for hours not yet flown—while holding just $134 million in cash. Auditor EY warned of ‘material uncertainty’ over whether the business could continue as a going concern.

It’s all legal. It’s all been disclosed, but its fragile: the business is now dependent on customer confidence, aircraft values, and low financing costs. If any of these shifts, the model starts to creak.

Another business jet story that has hit the headlines is Wheels Up. The US-based operator is now majority-owned by Delta, with additional backing from Knighthead Capital and Cox Enterprises.

Like Vista, Wheels Up pitched convenience and certainty. But unlike Vista, it struggled in public. It grew fast, went public, and then went into a tailspin. Membership dropped by nearly half, revenues fell 37% year over year. The fleet shrank from 185 to 154 aircraft.

Late in 2024, something changed. December was the best month in the company’s history and it (almost) broke even. The turnaround is happening with fewer customers, a smaller footprint and a strategy dependent on efficiency and discipline—not growth.

Wheels Up is now majority-owned by Delta, along with hedge funds and private equity.

Financial logic meets operational friction

This isn't just about Vista or Wheels Up. Business aviation has been shaped by financial tools designed to delay risk: forward bookings, prepaid hours, leaseback deals, aggressive depreciation assumptions. These tools work well—until they don't.

Maintenance costs are rising. Labour is tight. Margins are thin. Unlike software or consumer goods, scaling in aviation usually means taking on risk—leasing more jets, borrowing more capital, adding more exposure.

If the demand slows down, the bills don't. And if confidence starts to fray, the problems get harder to hide.

Why this matters to everyone in Business

If one of the major players slips, the shock won't stay isolated. A mass of aircraft hitting the market could depress resale values. Brokers relying on Vista's or Wheels Up's capacity will be forced to find alternatives. Lenders will reassess risk and values could drop. Aircraft values underpin loans, lease agreements, and long-term planning. When they move, everything moves.

Smaller operators—many already struggling with crew costs, engine delays, and financing pressure—may get caught in the ripple effect.

Who holds the risk?

Flohr says he hasn't taken a salary in 19 years. Wheels Up's CEO says December was a turning point.

That may be true. But as Margin Call reminds us, when the stress test in business aviation comes, survival in these moments isn't about who's right—it's about who's left holding the bag.

So, who will be left holding the business aviation bag?

Conclusion

Business aviation faces growing challenges each year, often appearing relentless. However, every shift presents an opportunity to demonstrate the industry's adaptability, innovation, and resilience. By embracing these changes, we strengthen our ability to navigate the future with confidence and creativity.

The industry thrives on its capacity to evolve, advancing technology, supporting remote communities, and serving government needs. As pressures increase, we must collectively approach each development as a chance to showcase ingenuity and determination.

With global transformation accelerating, business aviation must remain relevant—pursuing its own path while striving for sustainability and aligning with commercial aerospace and energy sectors.
A unified voice and collaborative efforts will be key to the industry's continued success.

Martyn Fiddler encourages all stakeholders to embrace flexibility and contribute, ensuring business aviation not only endures but leads in shaping the future.

Thank you for reading our perspective on business aviation in 2025. For any queries, please contact **heather.gordon@martynfiddler.com**.

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