

High Oil Prices Drive Demand for Aircraft KGAL Publishes “Perspective: Aviation Markets”

Grünwald, Germany 17.07.2018 – The “Perspective: Aviation Markets” publication focuses on the consequences of rising oil prices and aircraft as an investment. In the recently published edition, investment and asset manager KGAL provides information on current developments and supplies background knowledge.

Jochen Hörger, Managing Director of KGAL Investment Management GmbH & Co. KG, who is responsible for the Aviation asset class, emphasises that rising oil prices are driving demand for new aircraft. He explains that there needs to be a greater focus on fuel efficiency, given that expenditure on fuel constitutes 20-30% of operational costs. Serious savings are possible with new aircraft; whether new technology pays off for an airline depends on factors such as the route profile.

Michael Kühnel, an Airbus A320 pilot who works in transaction management at KGAL Investment Management, explains what institutional investors should take into account when investing in aircraft. Vehicles for short- and medium-haul routes (narrowbodies) are standard on the market. As a prospect, they are well-suited to risk-averse investors, who receive stable return flows over a long period with long-term lease agreements.

The “Perspective: Aviation Markets” publication briefly and concisely provides information on the aviation markets, as well as on aircraft funds for institutional investors.

It is available to download from: <https://www.kgal.de/presse/downloads/>.

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