



Upstarts To Rule The Future Urban Air Transport Sector

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The skies of the future will be littered by brands you have not heard of—but wish you had invested in.

That is one unwritten takeaway from a new report this summer from leaders of an aerospace technology incubator and investor group, Starburst Accelerator. They posit that the coming urban air transport revolution will be dominated by to-date lesser-known players, rather than industry giants.

“It’s going to be startups for a couple of reasons,” said Francois Chopard, Starburst’s founder and CEO. Large companies can develop a new product, such as a new helicopter, but when it comes to starting a new business, they cannot foot the bill, ironically.

A Swarm of Unknowns

Smaller, newer companies may have financial advantage, ironically

\$207 million in venture capital already invested

Incubator lists companies to watch

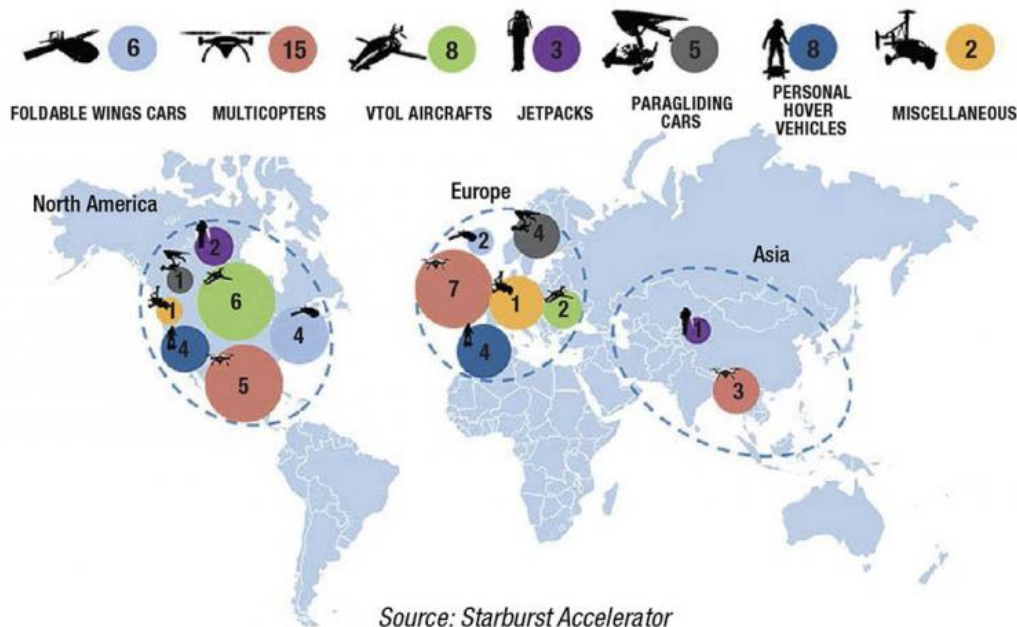
“At some point for these projects . . . to move forward, right now they are looking to raise \$10-20 million [in capital]. But then the next step is raising in the range of \$100-200 million,” Chopard tells Aviation Week. “The large corporations, they are not structured to make that kind of large investment in a new area.”

Of course, Starburst sounds like it is “talking its book,” as investors say, and arguing a scenario that mirrors its business strategy. Still, the argument follows other established trends affecting Western aerospace, including the significant role that venture capitalism has taken in recent years, as well as an increasing general embrace of outside sources of innovation, whether in Silicon Valley or around the world.

“This industry provides strong opportunities for venture capital investments going forward with \$207 million already invested,” according to the report. “Corporates and visionaries recognize this as well and are putting skin in the game.”

Indeed, industry giants are trying. [Airbus](#) technology offshoot A³ plans to fly its Vahana single-seat autonomous urban transportation aircraft by the end of this year, for instance. A special report on urban air transport highlights others ([AW&ST Aug. 14-Sept. 3, p. 36](#)), including [Embraer](#), which has partnered with Uber to develop an electric vertical-takeoff-and-landing (eVTOL) aircraft.

The World of Urban Air Upstarts



But in a [39-page document released](#) around the Paris Air Show in June, Chopard’s aerospace incubator made the case for watching smaller upstarts. According to the report, “The Next Wave of Startup Unicorns Emerging from the Aerospace Renaissance,” what is about to happen in the air will follow what is happening on the ground.

“Just as shared, electric, and autonomous vehicles are redefining ground transportation, urban air mobility is poised for massive disruption over the next five years, as a wide range of new aviation and aerospace crafts rapidly move from prototype to flight testing to commercialization,” according to Starburst.

The report identifies the new technological developments, broken into seven main categories: foldable wings cars, multicopters, VTOL aircraft, paragliding cars, jetpacks, personal hover vehicles and miscellaneous projects.

To date, the two major hubs for new urban air projects are North America and Europe, Starburst says. In the former, the primary players are entrepreneurs with access to investment capital. In the latter, large corporations are partnering with small- and medium-size enterprises.

While there were only four related ventures in Asia as of the report’s writing, “swift growth” is expected there as UAV technologies become more standardized with open-source software. Also, there is Asia’s production power. “Asia’s manufacturing advantage will support Asian entrepreneurs in catching up with the American and European flying car-makers,” the report notes.

Starburst—which makes money matching investors and startups—evaluated players based on price points, preregistrations and production numbers, and predicts these nine companies will be the “ones to watch” in 2017:

- AeroMobil of Slovakia: commercialization phase of a foldable wings car
- Aurora Flight Sciences of the U.S.: successful test flight of an eVTOL aircraft in April
- Ehang of China: first flight of an electric multicopter in March, operational in Dubai in July
- Flike of Hungary: first flight of an electric hovercraft in March 2015
- Flyboard of France: hovering world record for a jet hovercraft in March
- Kitty Hawk of the U.S.: successful test flight of an electric hovercraft in April
- Lilium of Germany: successful test flight of an eVTOL aircraft in April
- Urban Aero of Israel: commercialization phase of a fuel multicopter; and

- Volocopter of Germany: commercialization phase of an electric multicopter.

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