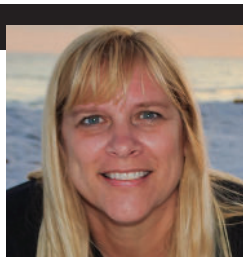

The Expanding MRO Universe

BY JOY FINNEGAN
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Five billion passengers flew in 2025, while airlines continued operating older aircraft longer than planned because of delivery delays and engine maintenance challenges. IATA has projected that airline industry revenues will surpass $1 trillion in 2025, which would mark a historic milestone for commercial aviation, once the numbers for 2025 are verified later this year.

Just a few years ago, the aviation industry was focused on survival. Aircraft were parked, maintenance schedules were adjusted and many experienced technicians left the workforce, whether through buyouts, retirements or layoffs. The challenge could not be more different today.

The demand for air travel is strong. Airlines continue to take delivery of new aircraft as quickly as they can be manufactured and fleets around the world are flying at high utilization rates. Which leads us to the next dilemma. Maintenance organizations are finding themselves in a difficult position — there is more work to be done than there is capacity available to perform it.

"Delayed maintenance from the pandemic and the 737 grounding between 2019 and 2023 has created a 'bow wave' effect, contributing to capacity bottlenecks, longer turnaround times, and fluctuating pricing," according to the Oliver Wyman **Global Fleet And MRO Market Forecast 2026-2036**. "Large component systems have been hit hardest, especially engines, which represent the biggest segment of the MRO market."

There is evidence of this capacity deficit throughout the industry. Engine shops report lengthy turnaround times. Airlines continue to grapple with parts shortages and supply chain delays.

But the good news is, some are stepping up to tackle the challenge. Perhaps the clearest indication of where the industry is headed is the construction crane. MRO providers are investing in new hangars, tooling and facilities. Training departments are working to attract and prepare the next generation of technicians. Software providers are helping organizations do more with the resources they have. And, of course, AI looms large as a potential force multiplier.

Let's take a look at some of the MROs that are expanding.

Lufthansa Technik Philippines, the joint venture between Lufthansa Technik and the MacroAsia Corporation, is significantly expanding. The new site will span 157,000 square meters and is intended to offer capacity for up to nine widebody aircraft bays. Lufthansa Technik already has a site at Ninoy Aquino International Airport in Manila and this second location will complement operations in the region. Both locations will form a hub for widebody aircraft MRO and strengthen Lufthansa Technik's presence in the Asia-Pacific region.

The HAECO Group recently announced a joint venture with Sun Group, Toyota Tsusho and Japan Airlines to establish a new 170,000-square-meter maintenance facility at Van Don International Airport in Vietnam. The $360 million project forms part of HAECO's long-term growth strategy in Asia and will expand local maintenance capacity in Vietnam.

ST Engineering says the expansion of its engine MRO operation in Paya Lebar, Singapore, will allow its commercial aerospace business to progressively double its capacity for CFM56 and LEAP engine maintenance to more than 300 engines annually by 2027.

Turkish Technic has been aggressively expanding its maintenance footprint at Istanbul Airport. New hangars and additional heavy maintenance capacity are intended to support both Turkish Airlines and third-party customers.

AFI KLM E&M continues investing in engine support capabilities, predictive maintenance technologies and component repair operations. The company has increased focus on supporting new-generation aircraft and engines.

StandardAero has expanded engine maintenance facilities and continues to add capability for newer engine types. The company has repeatedly cited strong aftermarket demand as a driver for investment. Last fall the company broke ground on a 70,000-square-foot expansion to support CF34 and CFM56 turbofan engines, increasing the building footprint by 40%.

AAR has expanded maintenance operations and parts-support capabilities while also investing in digital tools like Trax and Airvoyant. The company continues to add hangar capacity and pursue new airline support contracts. The company recently completed an 80,000-square-foot expansion of its MRO facility in Oklahoma City, adding three new maintenance bays.

"The MRO sector is responding through coordinated infrastructure expansion and investing in new facilities and upgrading existing sites to handle increasing workload complexity. Geographic positioning of repair capacity is shifting closer to fleet concentrations, reducing transportation delays and improving responsiveness to regional operators," our own Q1 issue story called "The Engines Capacity Crunch" reported. "Workforce development has emerged as equally critical as physical infrastructure expansion. The specialized skills required to maintain advanced turbofan architectures demand structured training pipelines and partnerships with technical education institutions. Simultaneously, automation technologies are being deployed selectively to improve process repeatability, reduce risk of injury and free experienced technicians for higher-complexity diagnostic and assembly tasks that require human judgment."

While these and other projects are ongoing to help the capacity crunch, global politics comes into play once again. With continued troubles in the Middle East, fuel prices are volatile and how this will ultimately play out is yet to be seen in terms of the demand for air travel.

From what we can see with these expansion projects, MRO providers around the world are adding capacity in anticipation of years — not months — of strong maintenance demand. We love to see it. AVM

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***Bruno**, Aerostructures Technician*

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