

GCC Aircraft MRO - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts (2024 - 2029)

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Report description:

The GCC Aircraft MRO Market size is estimated at USD 3.25 billion in 2024, and is expected to reach USD 6.35 billion by 2029, growing at a CAGR of 14.46% during the forecast period (2024-2029).

Major regional economic powers, such as the UAE, Saudi Arabia, and Qatar, are spending significant amounts on procuring new aircraft. Several other countries in the GCC are also focusing on the procurement of refurbished aircraft and the upgradation of the existing military aircraft fleet. This factor is significantly driving the growth of the aircraft MRO market.

One of the challenges of setting up MROs in the GCC region is attracting skilled labor or training the labor and retaining them. Though this challenge exists worldwide, it has started to appear in the region in recent years as both the aircraft fleet and the number of MRO players have increased significantly over the last two decades. However, the increase in the demand from the fleet growth is expected to outpace the maintenance technician supply in the coming years.

The countries in the GCC region like the United Arab Emirates and Saudi Arabia, among others, are one of the major hubs for the aviation industry. Due to this, the governments are supporting foreign MRO providers to expand their regional presence through partnerships and joint ventures with local players. This is expected to support the growth of the aircraft MRO market in the GCC countries during the forecast period.

GCC Aircraft MRO Market Trends

The Engine Segment Anticipated to Generate Highest Growth During the Forecast Period

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The aircraft engine MRO market in the region is expected to experience high demand, due to the rise of the commercial aviation sector. Commercial aviation in the region is driven by increasing air passenger traffic, increasing procurement of new aircraft by airlines, and improved economic conditions in several countries across the Middle East & Africa.

During 2021-2022, the air passenger traffic in the region surpassed the pandemic levels due to the rapid vaccination programs and the re-opening of borders. It is expected that in 2040 the air passenger traffic in the GCC is expected to double in the region to reach 550 million. Saudi Arabia, Qatar, and UAE are the major countries in the GCC. In 2022 Saudi Arabia, Qatar, and UAE's air passenger traffic volume accounted for 173 million and this was a growth 5% compared to 2021 respectively.

To cater to this demand in air passenger traffic various countries in the GCC region are awarding huge aircraft contracts to major OEMs like Airbus, and Boeing. This factory is expected to drive the demand for the aircraft engine segment in the GCC region. For instance, as of March 2023, Qatar Airways has approximately 250 Airbus, and Boeing aircraft models on order worth USD 72 billion. Most of the aircraft on order are expected to be delivered during the forecast period.

Additionally, to leverage the geographical advantage, the governments of the Gulf countries are making significant investments toward the improvement and expansion of their airport infrastructure. For instance, in December 2023, Saudi Arabia's Public Investment Fund (PIF) signed an agreement to invest in Saudia Technic, a subsidiary of Saudia Group to boost Saudi Arabia's aviation capabilities. Saudia Technic specializes in aviation maintenance, repair, and overhaul (MRO) services, including line, base, components, and engines.

Furthermore, in the region, the limited presence of domestic travel and the presence of major global aviation hubs such as Dubai have aided the utilization of widebody aircraft in the Middle Eastern countries. Hence there is a larger demand for aircraft engine MRO for widebody aircraft. For instance, in December 2023, FlyDubai awarded a contract to Boeing to deliver 30 B787-9 aircraft. The airline plans to use these B787-9s to open new routes and to use the aircraft on the high-demand existing routes. Apart from these developments, the majority of the engine MRO in the region is handled by engine OEMs like Rolls Royce plc, General Electric Company, and Pratt & Whitney, among others. Such factors are expected to drive the demand for commercial aircraft engine MRO services in the region during the forecast period.

United Arab Emirates to Exhibit the Largest Market Share During the Forecast Period

The UAE is home to major airlines, such as Etihad Airways and Emirates, which are rapidly expanding and upgrading their fleet of passenger and cargo aircraft as part of fleet modernization, hence the demand for aircraft MRO market is driven by various aircraft that are being delivered to the airlines in the region.

Additionally, these airlines are focusing on increasing their presence in the LCC sector through partnerships with other airlines. As a result, there is also a demand for narrowbody aircraft and its MRO in the region. For instance, in July 2020, Air Arabia Abu Dhabi a joint venture between Etihad Aviation Group and Air Arabia started its operations and became the first low-cost carrier based out of the UAE capital. The airline in November 2019 contracted Airbus to deliver 120 A320neo aircraft which are scheduled for delivery starting from 2025. In November 2023 the airline contracted CFM International for 240 CFM Leap-1A engines to power its 120 Airbus A320neo family aircraft, including the A321XLR. Such huge orders for aircraft and aircraft engines are expected to drive the growth of the MRO market in the GCC region.

Although various airlines in the country possess significant MRO capabilities, they still depend on engine OEMs and third-party providers for engine maintenance, which has helped engine MRO providers increase their market in the country in recent years. For instance, in November 2023 Sanad launched its new LEAP Engine Maintenance, Repair and Overhaul (MRO) Center in Abu Dhabi. The OEM's new facility can provide MRO for LEAP-1A and 1B engines. The facility is capable of servicing up to 200 engines annually. Search developments are expected to drive the demand for the aircraft MRO market in the country during the forecast

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period.

GCC Aircraft MRO Industry Overview

The market of GCC aircraft MRO is semi-consolidated and is majorly dominated by local players who perform base maintenance and line maintenance ranging from simple A checks to complex D checks. Some of the major players in the GCC aircraft MRO market are Saudia Aerospace Engineering Industries (SAUDIA), Emirates Engineering (Emirates Group), Rolls Royce plc, RTX Corporation, and Etihad Airways Engineering L.L.C.

With the growing support of the governments to establish maintenance hubs in the region, the local players are entering into partnerships with other local players and foreign players. Over the years, many global and regional MRO service providers, such as Lufthansa Technik AG (Lufthansa Group), AMAC Aerospace, and Joramco, have expanded their MRO service networks through partnerships and joint ventures. This factor has propelled the growth of the aircraft MRO market in the GCC region.

Hence, most expansion projects in the regions are partnerships of airlines or third-party providers with engine OEMs. Such strategies by the companies are anticipated to support them in increasing their share in the market during the forecast period.

Additional Benefits:

- The market estimate (ME) sheet in Excel format
- 3 months of analyst support

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