

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

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Report description:

The Southeast Asia Commercial Aircraft MRO Market size is estimated at USD 3.77 billion in 2024, and is expected to reach USD 6.49 billion by 2029, growing at a CAGR of 11.47% during the forecast period (2024-2029).

For the past few decades, Southeast Asia has been making the most of its favorable geographic location by complementing it with state-of-the-art aviation infrastructure. The region's strategic position and the strong local supply chain have made it a preferred location for many commercial aircraft MRO companies.

There have been growing developments about onsite facilities at various airports across the Southeast Asian region, which can cater to providing aircraft MRO services. Technological advancement in additive manufacturing, predictive maintenance, aircraft health monitoring systems, composite repair capabilities, artificial intelligence, and big data will play a major role in the coming years, as most of the MRO players in the region will most likely opt to streamline their operations through automation to generate higher revenue during the forecast period.

The increasing number of commercial aircraft deliveries in the Southeast Asian region, coupled with the growing investments in commercial aircraft MRO facilities in the region, will be the main factors that will lead the market toward growth during the forecast period. On the other hand, the shortage of skilled labour and lack of availability of space for carrying out the required maintenance on commercial aircraft can be the key factors that may hamper the market's growth during the forecast period.

Southeast Asia Commercial Aircraft MRO Market Trends

Engine Segment Dominates the Market During the Forecast Period

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Engine MRO is a vital and expensive part of an MRO. The increasing complexity of engine parts and the increased number of aircraft crashes due to engine failures have made operators focus on frequent engine maintenance and periodic checks. An engine is one of the most critical components of the aircraft, which must be maintained regularly, irrespective of whether it is flying or on the ground.

In the engine MRO sector, OEMs control approximately half of the market, with the other half roughly split between independent and airline overhaul shops. Operators frequently outsource engine maintenance and use complete MRO-support programs for new powerplant generations. For instance, in December 2021, Safran Aircraft Engines signed a new 10-year engine MRO contract with SIA Engineering Company (SIAEC). Under the agreement, Singapore Airlines' MRO division was required to provide engine testing services for CFM International's LEAP-1A (A320neo family) and LEAP-1B (737 MAX family) through a modernized engine test facility upgraded with the latest data acquisition and control system supplied by Safran Test Cells.

According to the IATA report titled Airport Technology Roadmap to 2050, new commercial aircraft will still be revolutionary developments with a traditional tube-and-wing configuration and turbofan engines powered by conventional jet fuel until 2035. From 2035 onwards, the industry is expected to witness revolutionary changes in aircraft configurations and propulsion systems. The new designs include strut-braced wings, blended wing bodies, and battery-electric aircraft. Hence, increasing aircraft deliveries and modernization of the old fleet drive the growth of the segment during the forecast period.

Malaysia is Projected to Show the Highest Growth During the Forecast Period

The growth in air passenger traffic and expansion in aviation services on international and domestic routes is estimated to drive demand in the Malaysian commercial aviation sector. Malaysia's year-to-date (YTD) passenger number in May 2022 was 16.3 million, a 574.6% increase over the same period in 2021. Malaysia Airlines, Malindo Air, and Air Asia Berhad are the major airlines in Malaysia. They cater to the majority of the demand for air travel. As of September 2023, Malaysia Airlines had 286 active aircraft in its fleet, with an average age of 11.4 years. During the last five years, around 65 new aircraft have been delivered.

For instance, in September 2022, Malaysia Airlines Bhd and Spirit AeroSystems Inc. signed a memorandum of understanding (MoU) to offer maintenance, repair, and overhaul (MRO) services for the Boeing B737 Next Generation (NG) aircraft. Under the terms of the agreement, Spirit AeroSystems and Malaysia Airlines would jointly work on establishing repair services for nacelle and flight control surfaces to support the airline's fleet. Also, in April 2022, Honeywell signed two MoUs that will further strengthen the company's presence in Malaysia and relationships with key stakeholders in the country and region. The cooperation is intended to tap into Honeywell's expertise in the maintenance, repair, and overhaul (MRO) of aircraft in various capacities, as the company has signed separate MOUs with Airod Techno Power (ATP) and Galaxy Aerospace. Such developments are expected to drive the demand for the aircraft MRO market in Malaysia during the forecast period.

Southeast Asia Commercial Aircraft MRO Industry Overview

The Southeast Asia commercial aircraft MRO market is semi-consolidated in nature, with few global and local players holding significant shares in the market. Some of the key players in the market are Singapore Technologies Engineering Ltd, Rolls-Royce PLC, Safran, AVIA SOLUTIONS GROUP PLC, and StandardAero. Key players in the market are highly investing in research and development and introducing advanced MRO solutions for commercial aircraft. For instance, in February 2022, SIA opened a new USD 9 million aircraft engine service (AES) facility in Singapore, which is custom-designed to perform at least 60 quick turns per year, with an additional 50% capacity to cope with a surge in demand. Similarly, in 2021, Subang Airport in Malaysia became the first airport in the Southeast Asian region to witness the development of an aircraft MRO facility through a collaboration between Malaysia Airports and homegrown global player Aviation Group of Companies. Moreover, the new facility offers end-to-end aftermarket services, including maintenance, repair, and overhaul (MRO), aircraft teardown, aircraft material recycling, and parts

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