

United States Maintenance, Repair, and Operations (MRO) - Market Share Analysis, Industry Trends & Statistics, Growth Forecasts 2019 - 2029

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Report description:

The United States Maintenance, Repair, and Operations Market size is estimated at USD 91.55 billion in 2024, and is expected to reach USD 99.21 billion by 2029, growing at a CAGR of 1.62% during the forecast period (2024-2029).

The United States is one of the severely affected countries in the world by the outbreak of COVID-19. This continues to negatively impact various industries, as demand sare shrinking and several disruptions to supply chain and operational challenges. Due to the pandemic, different small and mid-scale manufacturers either shut down their facilities or reduced production. In terms of large enterprises, almost all facilities are running at reduced capacities due to lower demands. A study by Arc Advisory Group where 56% of the respondents were from North America found that over 40% of the participants increased visibility and intelligence in their facilities and reduced production at some of their plants. Almost 30% were closing manufacturing plants that were located in high-risk areas.

Key Highlights

- The growing concern for increasing internal efficiency, growing digitization, and increasing investment in maintenance operations are some of the major factors driving the maintenance, repair, and operation (MRO) market.
- As MRO helps in reducing operational expenditure substantially through process efficiency and optimized supply chain management, an increasing number of end-user companies are investing in the market studied. Furthermore, the overall economic and manufacturing growth continues to drive maintenance and repair demand in developed and developing economies. The evolution of Industry 4.0 is also upgrading the MRO sector.
- Moreover, E-commerce has brought many advancements to the management of the MRO supply chain. The ability to procure spare parts, maintenance materials, and consumables from cost control and spend management to aggregation strategic insights and workflow transparency. Online platforms have streamlined and optimized many purchasing functions. This is expected to be a

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key focus strategy adopted by various MRO vendors in the country. For instance, Zoro is an online MRO distributor, primarily serving US customers through Zoro.com.

-Furthermore, the development of smart factories may bring advancement in the MRO sector. For instance, the growth of predictive maintenance, such as sensors and IoT, which allows manufacturing components to be replaced before visible defects appear, is also expected to transform the global MRO industry.

-With the growing business propensity toward business analytics, predictive maintenance and push to reduce overall cost and increase profitability have positively influenced the studied market's growth. As the market studied has been witnessing a significantly increasing demand, many of the market players have been expanding their presence and capacity to cater to a large customer base and encasing the opportunity.

-For instance, in January 2020, Emerson Bearing Boston, a bearing company catering to the OEM and MRO markets globally, established a pump industry division dedicated to a fast-growing customer base, particularly in the oil and gas market.

USA Maintenance Repair & Operations (MRO) Market Trends

Industrial MRO Accounts for the Largest Market Share

- The adoption of industrial MRO equipment in the manufacturing industry has been impacted due to various driving factors, including the increasing demand to reduce cost, increasing market maturity, cyclical fluctuations in new equipment sales, and the rising need to enhance product quality. With enterprises in the manufacturing sector continuously seeking to achieve large profit margins, they have been looking to maximize return on net assets (RONA).

- Further, manufacturing activities have witnessed exponential growth, owing to the region's government initiatives to introduce various programs, initiatives, and policies that encourage manufacturing activity.

- For instance, in March 2020, the National Institute of Standards and Technology (NIST), a Department of Commerce in the United States, opened a funding opportunity for high-impact projects that support the nation's response to the COVID-19 pandemic. The funding is expected to be awarded to eligible public-private partnerships with private and academic sector manufacturing organizations on research, development, and manufacturing processes.

- As of June 2020, the Trump administration in the United States has been documenting a proposal to invest nearly USD 1 trillion on infrastructure to spur the country's economy back to life. A preliminary version of the proposal prepared by the Department of Transportation has been planning to reserve most of the investment for traditional infrastructure work, like roads and bridges, and set the funds aside for 5G wireless infrastructure and rural broadband.

- Moreover, industrial players have also been deploying MRO equipment to reduce supply chain costs, mainly driven by transportation and production costs. Furthermore, collaborations in the space could provide further impetus to the market's growth studied during the forecast period.

- For instance, in February 2020, Galco Industrial Electronics Inc., an e-commerce driven MRO-focused distributor of electronic industrial control and automation components, was acquired by Freeman Spogli & Co. The company believes that the acquisition would pursue multiple expansion opportunities and strategic initiatives in the United States.

Facility MRO is Expected to Witness Significant Growth

- Facility MRO services are receiving considerable demand from the building and construction industry. Due to the increasing construction activities in the region, investments in infrastructure are also expected to rise, which are further expected to increase the demand for MRO services in the industry.

- Several regional players are carving out a niche by specifically catering to the construction end-user industry due to the surging

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demand. For instance, US-based Service Logic LLC offers a full range of HVAC services, like maintenance programs, that prolong the life of the equipment to strategic capital planning initiatives that help construction clients prepare for future investments.

- Despite the decrease in sales and demand in the overall manufacturing sector, the food manufacturing sector is witnessing an upsurge with the ongoing COVID-19 pandemic. Evolving consumer demands have fuelled faster production requirements in the region. As food manufacturers attempt to meet that demand, standards, such as the FDA's Current Good Manufacturing Practices (cGMP) regulations, have made food safety, product quality, and food processing plant maintenance into relentless efforts, further driving the studied market.
- Furthermore, due to the global COVID-19 pandemic, an increasing number of aerospace manufacturers and suppliers are shifting toward producing medical products, such as ventilators and face shields. Hospitals need to treat the growing numbers of seriously ill coronavirus patients.
- Such initiatives are further expected to increase the demand for facility MRO services in the industry due to the increasing need for hygienic and efficient operations at the facility.
- Further, All mining facilities must meet the security, safety, communication, HVAC, energy, and automation criteria. For instance, Sodexo USA offers mobile maintenance services, HVAC/R service, and remote monitoring for mining facilities operating in the regional marketplace.

USA Maintenance Repair & Operations (MRO) Industry Overview

The United States Maintenance, Repair, and Operations (MRO) Market are highly competitive due to multiple vendors operating in the domestic and international markets. The market appears to be moderately concentrated. The significant players adopt strategies such as mergers, acquisitions, and expansions to expand their geographic reach and stay competitive. Some of the major players in the market are Ferguson PLC, W.W. Grainger Inc., WESCO International Inc., among others.

- December 2020 - Graybar completed the acquisition of Shingle & Gibb Automation. Headquartered in Moorestown, NJ, Shingle & Gibb Automation provides advanced automation and control solutions to industrial users and original equipment manufacturers (OEMs). Shingle & Gibb Automation was founded in 1933 and had five locations in the eastern United States.
- February 2020 - Ferguson PLC completed its purchase agreement to acquire Columbia Pipe & Supply Co., an independent distributor headquartered in Chicago. This acquisition not only increases its existing customer base but also accelerates its Chicago market strategy to expand across the Midwest of the United States rapidly.

Additional Benefits:

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

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