

Growing Influence of the Spare Parts Market



**Marubeni
Group**

**AVIATION
WEEK**
NETWORK

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Extending the Life Cycle™

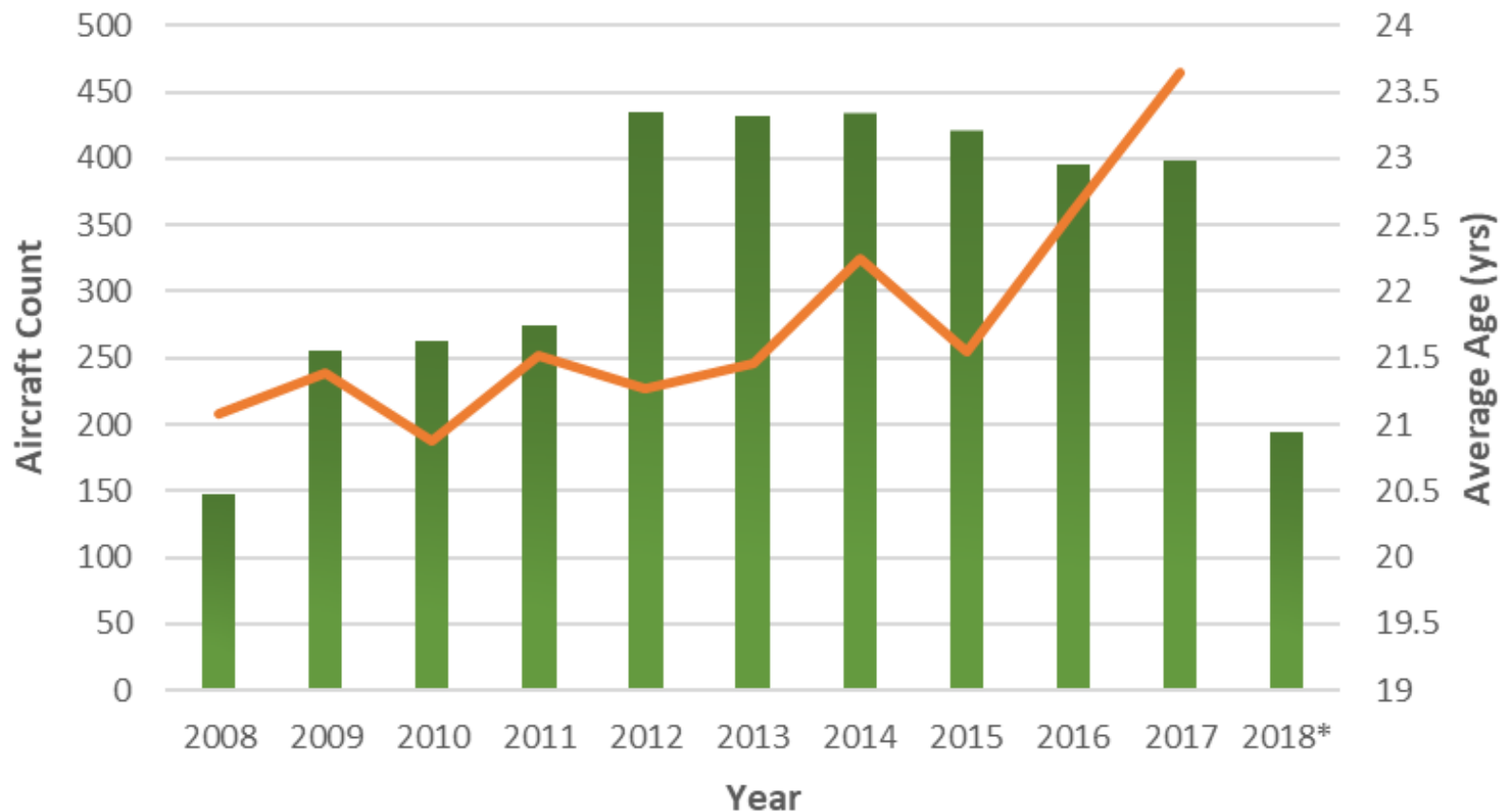
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- A small boat is seen from an aerial perspective, navigating through a turbulent sea with large, dark, churning waves. The boat is positioned on the left side of the frame, moving towards the right. The overall atmosphere is one of a severe storm.
- FUEL PRICES
 - STABLE RETIREMENT RATES
 - PASSENGER DEMAND
 - NEW PRODUCT DELAYS
 - FREIGHT MARKET GROWTH
 - SAVVY INDUSTRY STAKEHOLDERS

The
**PERFECT
STORM**

The
**SPARE PARTS
MARKET**

HISTORIC AIRCRAFT RETIREMENTS

Annual Aircraft Retirements/ Retirement Age



IS THIS THE MARKET PEAK?

NO

- Shop Visit/Heavy Check savings
- Continued Fleet Diversification
- 25,000+ pre-2010 build aircraft in service in 2022 (O. Wyman)
- Passenger growth
- Lower ownership costs of older assets
- OEMS turning to aftermarket

NEW ENGINE MARKET: MAGELLAN'S PERSPECTIVE

- Increased OEM life-cycle presence
- Use of Big Data
- Operator-affiliated MROs to remain strong
- Increased spare engine count vs current models
- Neo/MAX: Aftermarket players to enter market in mid 2020s
- Trace – more hard-time engine components?

NEW MANUFACTURING TECHNIQUES

- Composite/Carbon Structures/ceramics
- More complex repair process
- Use of blisks/lower blade and vane count (scrapping?)
- Increased focus on fatigue (scrap rates?)
- OEM dominance?

Thank you / Go Raibh Maith Agaibh

