

# MRO 360°

## MRO Outlook 2026

How the industry sees the future

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### Guest Article

FL Technics talks logistic



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## Outlook 2026

### After a challenging year in 2025, we wanted to see what industry professionals think of the MRO landscape for 2026

By David Dundas

It is probably fair to say that supply chains within the aviation industry are responsible for the majority of problems. In a not unconnected way, the supply chain for new aircraft production is the most damaging, and not just for the manufacturer. 2025 was a year that saw more and more older aircraft remain in service while fewer than anticipated new jets rolled off the production line. Boeing may now be producing 38 737MAXs each month, but restrictions imposed by the FAA mean it will be a while before that number passes the 40 mark. While that might seem to play into the hands of Airbus, that company has also seen less-than-optimum production numbers. This is partly because of problems at Spirit AeroSystems which has affected both the North American and European planemaker. Of course, the trouble with

keeping older-generation aircraft in the skies is the pressure put on supply chains for OEM and USM parts as there are fewer than usual units available for teardown.

Bearing all the above in mind, we wanted to know more about what the future may hold, and we approached eight of the MRO sector's prominent companies to get their take on what may well lie ahead in 2026, starting with the most obvious question:

**With production constrains for new aircraft resulting in older aircraft remaining in service for longer than anticipated, what does this mean for the MRO industry in general for 2026?**

Scott Symington, Chief Commercial Officer, AJW Group advises us that: "It has fuelled a greater reliance on the MRO industry. With the continued shortage of spare parts and older aircraft not being retired or parted out at the pace expected, operators are relying more heavily on repair service providers such as AJW Group's

**“OEM production targets still do not consistently translate into actual deliveries, with many airframes rolling out without engines or awaiting BFE (Buyer Furnished Equipment).”**

*Iason Pascalis, Senior Aviation Analyst, IBA*



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component MRO facility, AJW Technique. To support this, we've invested in inventory and streamlined our inventory strategy and operation processes to ensure we can meet these demands and provide customers with consistent, reliable component availability." Like many others, Iason PASCALIS, Senior Aviation Analyst, IBA, sees the supply chain bottlenecks continuing, and while the likes of Airbus and Boeing are looking to increase output, he feels that "OEM production targets still do not consistently translate into actual deliveries, with many airframes rolling out without engines or awaiting BFE (Buyer Furnished Equipment)." He further tells us that: "These market dynamics are expected to persist in the short and medium term, significantly impacting the MRO industry. With many lease extensions recorded for older aircraft, IBA expects to see an increase in engine shop visits. Aircraft retirements release serviceable engines into the market, thus supplementing the existing spare engine fleet. According to IBA Insight, the number of aircraft retirements in the A320-200 fleet has come down to around 10% year on year since 2023. The total number of such engines will not reach forecast levels due to operational aircraft lease extensions, and, further still, the extensions themselves represent an unforeseen increase in market demand for the MRO sector, which it must contend with. MROs are currently managing a combination of entry-into-service (EIS) issues affecting specific new-technology engines, while also supporting service-life extensions. Historically, EIS issues are expected, but not at the scale we are now seeing across much of the

affected fleets. OEMs and MROs are actively addressing these challenges; however, due to constraints around infrastructure, capability development, tooling, and training, resolution cannot happen quickly and is realistically still some way off, with engine shop visits lasting up to 12 months."

Emmanuel De Traversay, Senior Director, Technical Services, Panasonic Avionics takes a positive approach to aircraft being retired later in life, suggesting that "The longer an aircraft remains in service, especially if it hasn't undergone a cabin retrofit, demand increases for maintenance and aftermarket support. While this creates challenges around obsolescence, meaning our systems and support plans were designed to retire with the aircraft but now need to be extended, it also represents a strong business opportunity for MRO providers like Panasonic Avionics. Airlines are selectively retrofitting some aircraft, but many are simply flying them as-is for longer, which sustains maintenance activity for us longer than we originally planned."

Lewis Prebble, President, Commercial Engine Services, StandardAero is concise in his outlook when he tells us that "In 2026 we expect used narrow-body equipment prices to hold up again, driven by the high demand for both greentime and USM. We see our customers using all available levers to maintain their fleet health and availability, and this sits comfortably with our service offerings, including exchange engines, leases, light shop visits and heavy worksopes." Meanwhile, Kevin FERREIRO, Senior Director Business Development, VAS Aero Services is of a like mind to Scott Symington in terms of a lack of mature aircraft for teardown. "Delays in new aircraft deliveries and the extended use of mature aircraft are resulting in heightened maintenance activity and increased demand for new and USM parts. The volume of mature aircraft being retired and torn down for spare parts re-selling remains very low

compared to pre-pandemic times, meaning there are fewer USM parts available in the market. This situation is driving up USM demand, resulting in premium prices for asset trading transactions. Through our new Airbus/Satair ownership since 2022 and strategic asset hunting initiatives, we have secured key assets to feed the global MRO industry," he says.

Tulika (Tia) Dayal, CXO and Co-founder, SkySelect, Inc. is looking at the year ahead as one which involves a critical balancing act between opportunities and challenges, confirming that: "The current backlog of over 17,000 commercial aircraft is keeping older planes in the air longer than we'd like. As we look ahead to 2026, the MRO industry faces both exciting growth opportunities and real challenges. While demand for MRO services is sure to be high, we're also dealing with a capacity crunch that's leading to longer wait times, higher costs, and some tricky engineering challenges." She suggests that to overcome these increasing MRO and supply chain problems, there are four key actions which could be taken: opening up the aftermarket, enhancing supply chain visibility, better use of data and the expansion of repair and parts' capacity. She goes on to inform us that "New technologies, such as the AI-powered procurement platform SkySelect, are specifically designed to address these operational challenges. Rather than manually navigating through complex supply blockages, organisations can quickly access real-time market availability from thousands of global suppliers. This ensures that airlines and MROs obtain the necessary materials precisely when and where they are needed, reducing unplanned downtime and helping to predict and prevent potential disruptions." To conclude this section Tony Kondo, President and CEO, Werner Aero, sums up the whole situation in a nutshell: "In general, it will lead to a longer lead time / lack of materials because



Kevin Ferreiro, Senior Director Business Development, VAS Aero Services

**“The volume of mature aircraft being retired and torn down for spare parts re-selling remains very low compared to pre-pandemic times, meaning there are fewer USM parts available in the market. This situation is driving up USM demand, resulting in premium prices for asset trading transactions.”**

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older aircraft naturally require more repair / maintenance than newer aircraft," he says.

### How are MRO providers coping with this increased demand for maintaining these older aircraft?

It is all very well identifying the solution to a shortage of aircraft as having to keep older aircraft in service but, logically, this automatically increases the burden on MRO operators to keep these older planes in the air. While this was an unexpected situation, the passing of time allows for readjustment and adaptation, only in the MRO industry, the pressure to adapt is constant and there is never enough time! Iason Pascalis notes that "Independent maintenance providers maintaining engines from new to mature types are investing in additional MRO capabilities. OEM offloading remains a clear trend, with maintenance for mature engine technologies increasingly being transferred to third-party providers. We are also seeing more development in historically underserved regions. For example, IER MRO in the Middle East is establishing a new facility, reflecting broader regional investment. At the same time, many MROs are expanding in-house repair capabilities,

reducing outsourcing and dependence on external providers. This enables greater control over maintenance processes and turnaround times. Collectively, these developments point to an industry-wide push among engine MROs to improve readiness and reduce turnaround times in the longer term. However, in the short to medium term, MROs will continue to see delays in aircraft and engine turnaround times as labour shortages and rising parts costs due to high demand continue to constrain the sector. It is expected that MROs will increase their inventory of materials and components to address bottlenecks higher up in the supply chain and offset delays in overhauls and part replacements. USM (will undoubtedly be sourced to curb increasing parts costs directly from the OEMs, also offering quicker replacement and alleviating some of the inflationary pressure." Ian Foster, VP MRO, Technical & Logistics, APOC Aviation sees a possible solution to the problem of parts' availability on the maintenance of these older aircraft, suggesting that: "From a component MRO perspective (as opposed to airframe), where piece part supply and obsolescence from OEMs become an issue, some third-party shops are using PMA / DER to help manage increased demand.

This can have a positive impact on both TAT and costs for operators and service providers."

Clearly, understanding a fleet operator's longer-term plans is key to MROs developing their own strategies, and Emmanuel De Traversay underlines this when he tells us that Panasonic Avionics works "... closely with our customer airlines to understand their long-term fleet plans, and this helps us to anticipate demand and plan inventory. Strategies include last-time buys of critical spares, building up stock where necessary, and leveraging buybacks to repurpose parts from retiring aircraft. Both constant engagement and flexibility are key, as fleet plans often shift based on OEM delivery schedules and market conditions."

As the delay in aircraft deliveries was unlikely to be a short-term problem, some MRO operators saw one of the best solutions to deal with increased demand for their services was to expand. Lewis Prebble tells us that "In the case of StandardAero, we have responded to this demand by establishing a new dedicated CFM56-7B overhaul facility at our Dallas Fort Worth International Airport, and by expanding the size of our existing Winnipeg CFM56-7B / CF34 overhaul facility by over 40



Tulika Dayal, CXO and Co-founder, SkySelect, Inc.

per cent. We are also making use of our extensive in-house component repair and asset management capabilities to help overcome new engine material shortages where they exist." Meanwhile, looking at securing connections in the supply chain network are just as important as creating the ability to deal with increased capacity. Kevin Ferreiro explores that side of things when he suggests that: "Besides the MRO network investing in higher capacity volumes and staff/resources, MROs must establish close working relationships with aftermarket parts suppliers like VAS. We maintain constant vigil on the state of the aftermarket, knowing what's available or soon to be. In addition to possessing a one-million-plus parts inventory, we are able to procure parts whenever possible from our global sources. Having a supply on hand or the ability quickly obtain critical parts enables us to support our MRO partners during this period of increased demand for USM."

Tulika Dayal looks to not just one single area to find a solution to the problem, but prefers a three-prong attack through reprioritising capacity, redesigning networks, and digitising planning and procurement through prioritising capacity and workscopes, expanding and reshaping

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*Tulika Dayal, CXO and Co-founder, SkySelect, Inc.*

networks, and using technology and data to stretch out limited resources. She sums up the situation by saying that: "In short, MROs cannot "solve" the demand surge from older aircraft, but they can sweat their capacity harder, use data to avoid waste, and collaborate more intelligently across the ecosystem — from OEMs and independents to USM specialists and digital platforms." Meanwhile, Scott Symington sees little changing in 2026 compared to 2025, telling us that: "As an MRO, AJW's response has been to invest heavily in inventory to continue offering our customers the support they require and rely on. We use digital tools and advances in technology to better understand demand variation to predict their future requirements, which enables us to allocate parts to support their future needs well in advance. This allows us to mitigate the high demand and increased lead times." "We see high demand for parts for the older aircraft continuing into 2026 and beyond," he concludes.

### **Will current workforce shortages in the MRO industry continue in 2026 and how will that affect operations?**

A shortage of skilled technicians and engineers has been plaguing the MRO sector for quite some time. The need to keep older aircraft flying longer and the subsequent increase in demand for MRO services has done little other than compound this problem, so we wanted to find out what was being done to mitigate the situation.

Iason Pascalis tells us that: "IBA expects labour shortages to persist in the MRO industry in 2026 and possibly continue into the latter part of the decade. Licencing and certification of skilled labour take substantial time and, coupled with retirements, the workforce growth rate is relatively slow compared to the market demand. This shortage will keep pressure on aircraft maintenance turnaround times, which will in turn reduce the availability of slots and increase aircraft storage rates that need maintenance. MROs are likely to favour larger aircraft with larger fleets, which often fall into more common MRO certifications. Long-term legacy customers will also be favoured, putting operational pressure on smaller airlines."

Emmanuel De Traversay and Lewis Prebble both look to training as a means to grow the workforce. De Traversay advises us that: "Conditions have markedly improved compared to the post-COVID ramp up period. However, demand for skilled technicians across the industry is still high, and we have ongoing robust recruitment and training efforts. We are also continually investing in upskilling to maintain service levels. At the end of the day, these dynamics do add some



Lewis Prebble, President, Commercial Engine Services, StandardAero

**“While workforce shortages remain a long-term concern, we are proactively working to ensure a reliable supply of skilled aircraft engine mechanics by partnering with local colleges to develop aircraft turbine technician courses.”**

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operational complexity and cost, however, we've still been successful in enhancing and growing our MRO business across the globe." Meanwhile Prebble informs us of an interesting solution to the labour shortage. "While workforce shortages remain a long-term concern, we are proactively working to ensure a reliable supply of skilled aircraft engine mechanics by partnering with local colleges to develop aircraft turbine technician courses. These partnerships enable us to support the flow of new talent into the industry, and to offer students well-paid and rewarding careers upon graduation. After the pandemic, we established a number of site-specific classroom and on-the-job training programs with a structured academy style curriculum to ensure we have some control over our own destiny."

Kevin Ferrerio categorically sees the shortage of skilled labour continuing through the next year, as does Tony Kondo. Ferrerio puts it down to two main reasons: "First the overall shortage of skilled MRO technicians remains problematic. The pandemic had the dual effect of lowering the demand for MRO services, resulting in layoffs in some places, and delaying the training and entry of new hires into the workforce. With workforce retirements impacting staffing levels, we haven't yet caught up, despite industry-wide efforts to ease the workforce shortage through recruitment and training. The need for capable people continues. Secondly, the industry faces technical challenges as we adopt new technologies such as 3-D manufacturing of replacement parts, generative AI, robotics and other advances that require new skills and training."



Emmanuel De Traversay, Senior Director, Technical Services, Panasonic Avionics

Investment in the workforce was a key for many MROs in 2025 and will remain so in 2026."

Tulika Dayal provides an excellent, in-depth response to the situation as we move into 2026 as she tells us that "While demand for MRO services is sure to be high, we're also dealing with a capacity crunch that's leading to longer wait times, higher costs, and some tricky engineering challenges. To overcome these rising MRO and supply chain issues, we can focus on four key actions: Opening up the aftermarket by encouraging MRO services to become less reliant on OEM-driven commercial licensing models and facilitate access to alternative materials and services; enhance supply chain visibility by improving transparency across all supplier levels to identify risks early, reduce bottlenecks, and utilise better data to build a more reliable supply chain; better use of data through the use of predictive maintenance insights, pool spare parts, and create shared maintenance data platforms to optimise inventory and significantly minimise aircraft downtime, and lastly, expanding repair and parts capacity: through speeding up repair approvals, supporting alternative parts and USM solutions, and adopting advanced manufacturing techniques to alleviate production bottlenecks." She then goes on to advise that: "New technologies, such as the AI-powered procurement platform SkySelect, are specifically designed to address these operational challenges. Rather than manually navigating through complex supply blockages, organisations can quickly access real-time market availability from thousands of global suppliers. This ensures that airlines and MROs obtain the necessary materials precisely when and where they are needed, reducing unplanned downtime and helping to predict and prevent potential disruptions."

Meanwhile, Scott Symington provides an excellent insight into AJW's approach to workforce shortages and challenges, as he tells us that "Our global recruitment

teams encourage and promote careers in aerospace by attending job fairs and events like the recent Air Canada's Young Women in Aviation Day. At these events, our recruiters and specialists share their knowledge and experiences to spark interest in the sector and highlight the exciting career opportunities and long-term prospects within the MRO sector. AJW Group is building a diverse pipeline of talent through outreach, apprenticeship programs, and partnerships with educational institutions as these are crucial for ensuring a sustainable workforce capable of meeting our future demands and to build a strong aerospace workforce. The rapid advancement of aviation technology demands the continuous upskilling of our existing workforce. This is also a draw card for those interested in the industry as they can use their strong technology skills within the evolving industry, this holds great promise for the coming years. We need to ensure the industry is an inviting one for incoming generations. Aviation is advancing, and with it comes the need for continuous learning and growth. This transformation opportunity offers those passionate about technology a chance to apply cutting-edge skills in a field that is shaping the future of global connectivity. The possibilities are exciting but to unlock this potential, we must create an industry that excites and welcomes the next generation, inspiring them to be part of this journey."

### **Do you feel the ongoing supply-chain issues for OEM parts will continue in 2026?**

Of course, there is little point in establishing an impressive and efficient workforce if there is a constant shortage of parts. Consequently, the next area of the 2026 MRO landscape we wanted to look at was the supply chain, and whether a light can be seen at the end of the current raft of problems.

At Panasonic Avionics, Emmanuel De Traversay is clearly optimistic but

**“Our sector has largely stabilised, and we benefit from the broader Panasonic supply network, which helps to mitigate risk. Overall, we expect incremental improvement, though the industry is still catching up to pre-pandemic norms.”**

*Emmanuel De Traversay, Senior Director, Technical Services, Panasonic Avionics*

acknowledges that the requirements and needs of the company are different to many others operating in the MRO sphere. "Supply chain constraints have mostly been solved for Panasonic Avionics' technical services team compared to the immediate post-COVID period. Still, in a tightly knit supplier environment like aviation, delays with other aircraft system/components can and do still affect our business as a whole. Our sector has largely stabilised, and we benefit from the broader Panasonic supply network, which helps to mitigate risk. Overall, we expect incremental improvement, though the industry is still catching up to pre-pandemic norms," he tells us. Unfortunately, Lewis Prebble at StandardAero is less optimistic, and understandably so, as he advises: "While we are hopeful of gradual improvements to the situation, there is no indication at this stage that the structural issues affecting the supply chain will be fixed within the next twelve months. We plan for this, and we continue to invest in proactive mitigations, but it nonetheless remains a source of uncertainty."

At VAS Aero Services, Kevin Ferreiro also feels less than optimistic, explaining that: "Manufacturers are working hard to deliver new platforms, yet the backlog on new aircraft deliveries continues to grow. At the same time, the extended life of aging aircraft is increasing the demand for replacement parts, putting further pressure on new part manufacturing. And that presents a market opportunity for USM parts suppliers. Quality-verified, certified USM parts are filling the strong demand gap that original manufactured parts can't match, while also offering a lower cost

of investment. The economics of USM utilisation versus OEM parts procurement (and associated supply chain backlogs) make a compelling case for USM, to be sure." Meanwhile Tulika Dayal also sees little change over the next year, and she identifies the principal reasons for the current problems at SkySelect: "Supply chain issues for OEM parts will continue throughout 2026, as the root causes cannot be resolved overnight. The real bottleneck lies with Tier 2 and Tier 3 suppliers—smaller companies that handle essential tasks such as supplying raw materials, specialised castings, and complex components. Many of them are struggling to keep up, lacking the capital, skilled workers, or resources needed to ramp up production quickly. At the same time, we're seeing demand coming from two strong directions. On the one hand, there are significant backlogs in aircraft orders, with OEMs like Boeing and Airbus eager to ramp up production and requesting large quantities of parts. On the other hand, there's a growing need for MRO services due to an aging global fleet and some durability concerns with newer engine models."

Tony Kondo at Werner Aero, Scott Symington at AJW Group and Iason Pascalis at IBA are all of the identical impression that things will not change in 2026, while Symington is very concerned that supply chain issues may never recover to pre-pandemic levels.

### How important is the availability of USM (used serviceable material)? Are there sufficient aircraft available for tear-down?

This would seem to be the root cause of so many of the supply chain problems in the USM and supply chain. With more and more aircraft flying or longer, it is logical that there would be greater demand for MRO services and a reduction in the numbers of older aircraft for tear-down. We have also seen that the demand for parts and engines does not just apply to these older aircraft as we are now seeing nearly new commercial jets, such as six-year-old A320neos, being cannibalised for

their engines and parts as they are now worth more on the ground than they are in the air. We wanted to know how MRO providers are being directly affected by USM availability, as we appreciate that some businesses are affected differently by changing market conditions.

Lewis Prebble gives the impression that where he is concerned, the situation is not too bad, explaining what is being done to minimise problems. "USM does offer relief for certain parts, helping to avoid long delivery lead times associated with new material. We are fortunate to be able to manage our own sourcing, teardown and repair of USM. The volume of aircraft retirements during 2025 remained well below the long-term average, so supply is constrained of the source material on some programmes. As a result, we buy from both the open market as well as our own supply," he tells us. Meanwhile, Kevin Ferreiro highlights the advantages of understanding the long-term outlook for the MRO sector and that through being proactive as opposed to reactive, VAS Aero Services has been able to prepare itself for the current situation, telling us that: "USM plays a key role in today's maintenance landscape. Increased flight operations and the extended life of aging aircraft are both putting pressure on USM inventories. The expected return of retirement volumes has not materialised in the last couple years, as many operators opted to extend aircraft service lives to maintain capacity amid new aircraft delivery delays. Recognising where the market was headed, VAS invested heavily in aircraft assets over the past two years. We acquired 26 Airbus A320 aircraft, seven A330s, eight A380s, four B737s, and other strategic projects. So, for some years to come, VAS will have access to a greater supply of quality, certified used parts for distribution across our global aftermarket customer base."

Like most, Tony Kondo and Tulika Dayal see USM as a positive and cost-effective alternative to OEM parts. "USM is a good and cost-effective solution instead of waiting 200 days lead time for a new OEM part," says Kondo. Beyond this, Dayal is keen to point out that "USM provides significant cost savings compared to



Tony Kondo, President and CEO, Werner Aero

“USM is a good and cost-effective solution instead of waiting 200 days lead time for a new OEM part.”

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purchasing new components from the OEM. This is particularly true for rotatable parts, where USM can offer a budget-friendly alternative for airlines and MRO providers”

Scott Symington provides excellent insight into the current situation as he tells us that: “As operators extend the life of their fleets, they are also trying to keep maintenance costs under control, especially with ongoing shortages of new parts. As a result, airlines and MROs are leaning more heavily on USM as a cost-effective and reliable option. As such, the USM market remains strong and mature aircraft platforms remain a big part of this trend. Interestingly, we’re also tearing down younger aircraft. This might sound counterintuitive, but when it comes to aircraft, it isn’t just about age. Engine reliability and shortages of spares have played a role in the early retirement of certain aircraft types, such as the A320neo. The overlap between neo and ceo platforms means those teardowns are helping to provide operators with much-needed spare parts. Looking ahead, demand for USM is likely to stay high for at least the next two to three years, until OEM production rates truly recover. Longer term, pressures around sustainability and lifecycle cost management will make USM an even more integral part of fleet strategies. The balance between new and used material will keep shifting, but there’s no doubt USM is here to stay as a cornerstone of the aviation supply chain. On the question of whether there are sufficient aircraft available for tear-down, it depends on a number of factors. If you are well established, well capitalised, and have introduced sophisticated inventory management systems then the typical narrowbody teardown pipeline is less of an issue. The real issue is the 120 parts that are in critical market demand. We have plenty of stock of the other 700 parts. Hence, we value an asset based on 120 parts compared to a less established competitor who needs the other 800 parts and consequently values the teardown asset higher.”

Craig Skilton, VP Components at APOC

Aviation and Emmanuel De Traversay appear slightly more relaxed and do not see the current situation as being as much of a challenge than others. As Skilton explains: “Based on what we see, there remains a sufficient flow of aircraft being offered that are suitable for tear-down. That flow has also increased slightly in recent months, especially in relation to narrow-body aircraft. With APOC’s focus on this market, it’s imperative that we continue to grow our pool of USM stock and we have flexibility for that to be through the purchase of whole aircraft, or through strategic procurement at an individual part level.” Meanwhile De Traversay feels that: “USM is critical for supporting older systems, especially where manufacturing new parts for our systems is no longer viable. At present, there is an adequate availability of aircraft for teardown, allowing us to source needed components. However, that may change in the long term if OEM delays persist and fewer aircraft retire. For now, buybacks and circular economy practices are helping us meet demand effectively.”

Iason Pascalis delves deeper into the problems and challenges, suggesting that: “USM has become critical for the industry over the past few years. Given the high-cost escalation and list pricing seen in OEM parts, and the long lead times for manufacturing and delivery, USM has become a strategic necessity for MROs and airlines to keep costs suppressed and lead times lower.” However, he then goes on to advise that: “Regarding aircraft availability for teardown, IBA has seen those numbers decrease over the past few years. As delays in new aircraft continue, lease extensions are reducing the number of off-lease aircraft available in the secondary market for part-out, limiting the volume of assets that can be torn down to source USM. Any trades intended for eventual part-out must first see out their stub leases, which are also likely to be extended, further reducing the availability of USM. According to IBA Insight, just 1% of the total in-service fleet of 4,534 aircraft as of December 2025 could be considered viable part-out candidates, which is a significantly low proportion.

This metric considers aircraft which are stored, off-lease, and not owned by an airline. In the short term, due to the lack of availability of suitable aircraft to source USM, the trading values are expected to stay at current elevated levels.”

### **If there are insufficient aircraft of a type available for teardown, what inventory strategies should MROs and airlines adopt to ensure specific parts’ availability?**

In the last part of this article, we wanted to find out more about alternatives when there are insufficient aircraft available for teardown, and to see what mitigating strategies were being adopted by MROs. Iason Pascalis has already mentioned that trading values of older aircraft are likely to remain at elevated levels, and so we couldn’t help but feel this may provide further challenges when it comes to holding inventory and availability of specific parts.

Tony Kondo has a straightforward and clear-cut approach to the situation by advising that past data should be used to assess inventory requirements for the next 12 months and to procure parts now rather than later. Going into greater detail, Kevin Ferreira makes it clear that where he is concerned, “For maintenance operations, the ability to source high-quality USM quickly has become a strategic advantage amid persistent supply chain disruptions. This has increased competition for USM inventory, impacting both pricing and availability. It’s essential today for USM suppliers to identify and evaluate



Scott Symington, Chief Commercial Officer, AJW Group

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*Scott Symington, Chief Commercial Officer, AJW Group*

airline surplus, have a consignment infrastructure in place, and have the programme management skills to mesh the two. Ultimately, securing USM in today's environment requires moving from opportunistic buying to a more integrated supply chain strategy that involves close cooperation with parts suppliers and service vendors. This approach should include mutual data sharing, proactive investments in rotatable parts pooling for continued availability, and balancing availability, cost, and aircraft maintenance schedules to ensure fleet readiness."

Tulika Dayal is more of the opinion that long lead times for OEM and new parts in general means that inventory has to be optimised, advising us that: "Since lead times for new parts are long and USM supply is unreliable, the first line of defence is optimising your inventory." He goes on to suggest this can be done by: **Buffering for Critical Parts:** For components with a history of long delays or frequent, unpredictable failures, airlines must increase safety stock. **Inventory Pooling:** pool spare rotatables in a central location. **Targeted Procurement:** Focus on buying specific parts that are unique to the aging fleet, rather than general items. This keeps capital tied up in the most essential, hard-to-find components. **Alternative Sourcing:** Proactively certify and integrate new suppliers or third-party repair shops specialising in older components to diversify the supply chain away from reliance on the OEM. **Service contracts.** She goes on to say that "Ultimately, all these strategies rely on real-time supply chain visibility and predictive analytics." Advice from Lewis Prebble is also clear cut,



Craig Skilton, VP Components at APOC Aviation

where he suggests that the most important strategy for airlines to take is to work closely with their MRO partner on future engine support requirements. He explains further: "This enables the MRO to order long-lead parts well in advance, and to work on bespoke service solutions which meet the specific needs of the operator. For the MRO itself, a lean, efficient production system is essential in order to make most of the available inventory, including component pooling where appropriate. Having comprehensive in-house asset management and component repair capabilities is obviously beneficial, as is having a broad range of relationships with industry supply chain partners and brokers, etc."

At AJW Group, Scott Symington has a clearly defined strategy that boils down to planning and having efficient inventory management. He explains: "AJW Group has adopted a multifaceted approach that addresses both immediate concerns and long-term goals. We're investing in resilience measures, enhancing collaboration among stakeholders, and innovating towards enhanced process efficiency. By implementing automated inventory tracking systems, we can help streamline tracking and management processes, reducing errors and delays. These forecasting tools can improve the ability to meet customer needs effectively, reducing inefficiencies in the supply chain. AJW has a robust pooling strategy for our 450,000 line items of inventory. By strategically placing this inventory across our global hubs, we can deploy components when and wherever they are needed." Craig Skilton, on the other hand, suggests that you need more than a Plan A to deal with the current situation. "APOC has now reached the position that if a teardown didn't come in as expected, that capital would be reinvested into strategic purchasing at either an individual component level, or a package of relevant components. This ensures we have a constant flow of new material coming in to support our growing customer base.

Given the current state of the market and the unpredictability of buying large assets, it's important that a Plan B is there to be utilised if needed, especially as airlines in Europe rely on stockists like APOC to have the parts they need, ready to go," he suggests.

Iason Pascalis helps draw this topic to a close by looking not just at the longer term, but also short-term problem. "With USM hard to come by and supplies looking low in the short term, MROs will need to plan to increase their inventory availability and management strategically. Demand and maintenance forecasting, which identifies component shortfalls, will enhance areas of focus and, by parting out smaller aircraft models such as the A319-100 and the 737-700, support broader parts availability for the A320 family and 737-800 fleet. Working hand in hand with OEMs for parts provision will also be beneficial, as OEMs might have acquired these in the aftermarket sector for better parts provisions. IBA has also seen contracts between Airlines, Part-Out specialists, and OEMs, helping ensure a constant flow of USM that often rely on component pooling. MROs are also using exchange partnerships and DERs (Designated Engineering Representatives), which help broaden access to parts beyond individual stock levels and extend their lifecycles. Power-by-the-hour (PBH) agreements or consignment programs are also solutions used by airlines to ensure parts availability, either with OEMs or third-party MROs. They provide cost and lead-time predictability, reducing inventory requirements for airlines, and, for consignment programs, they do not require upfront capital investment. IBA has also noted increased demand for PMA (Parts Manufacturer Approval) parts, which provide cost-effective solutions in parts provision, helping lower costs and lead times," he comments.

While our contributors have given us a great insight onto what lies ahead for 2026, perhaps the easiest way to sum up the situation is "more of the same!"

**“APOC has now reached the position that if a teardown didn't come in as expected, that capital would be reinvested into strategic purchasing at either an individual component level, or a package of relevant components.”**

*Craig Skilton, VP Components at APOC Aviation*



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