The Global Military Aviation MRO Market
2014-2024
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1 Executive Summary

The global military aviation MRO market is expected to increase at a CAGR of XX% during the forecast period.

The value of the global military aviation MRO market is estimated at US$XX billion in 2014 and is expected to value US$XX billion by 2024, representing a CAGR of XX% during the forecast period. The demand for military aviation MRO services is anticipated to be driven by aging military equipment globally, technological innovations in the industry, internal and external security threats, territorial disputes, and modernization initiatives undertaken by armed forces across the world. Cumulatively, the global market for military aviation MRO is projected to value US$XX billion during the forecast period and is expected to be dominated by North America, followed by Europe, and Asia Pacific. Despite the economic crisis in the Eurozone, Europe’s share of the global market is projected to increase during the forecast period, albeit marginally, due to the scheduled deployment of various modernization programs which had been initiated in previous years.
2 Global Military Aviation MRO Market Size and Drivers

2.1 Military Aviation MRO Market Size and Forecast 2014–2024

2.1.1 Global military aviation MRO market to show positive growth during the forecast period

The global military aviation MRO market is estimated to value US$XX billion in 2014 and increase at a CAGR of XX% during the forecast period, to reach its peak of US$XX billion by 2024. The market consists of four categories: multirole aircraft MRO, transport aircraft MRO, rotorcraft MRO, and UAV MRO. The multirole aircraft MRO market is expected to account for XX% of the global military aviation MRO market, followed by transport aircraft MRO with a share of XX%, and rotorcraft MRO with XX% share. The UAV MRO market accounts for the remaining XX% share. During the forecast period, cumulative global expenditure on military aviation MRO is expected to reach US$XX billion.

The chart below shows the expected military aviation MRO market value during 2014–2024:

Figure 1: Global Military Aviation MRO Market (US$ Billion), 2014–2024

Source: SDI analysis © SDI
2.2 Global Military Aviation MRO Market – Regional Analysis

2.2.1 North America dominates the global military aviation MRO market

North America accounts for the highest spend in the global military aviation MRO market and most of the expenditure can be attributed to the US, with Canada accounting for a small share. The US maintains the largest fleet of aircraft; comprising more than XX% of the total military aircraft around the world. The primary factor driving the country’s aviation MRO market is quite simply the sheer size of the aircraft, rotorcraft and UAV inventory, which is consistently being updated with latest technology systems. The majority of the MRO expenditure is on the country’s large fleet of multi-role aircraft which require high maintenance on airframe and engines, and the transport utility and surveillance aircraft which require continuous high field and component maintenance services.

However, one interesting fact is that in the midst of such robust expenditure, the growth of the US market is expected to slow down over the forecast period owing primarily to budget cuts, the resultant sequestration measures and the conclusion of military operations in Iraq and Afghanistan. Other regions such as Latin America, Asia, and the Middle East are expected to grow at a more rapid pace in comparison to North America. The slowdown in the US market has resulted in the cancellation or delay of many programs such as F-16 and A-29 Super Tucano. The country’s recent announcement not to fund the Combat Avionics Programmed Extension Suite (CAPES) program, that would have upgraded XX US F-16 fighter jets at an estimated cost of nearly US$XX billion, is one of the few examples that clearly projects the sentiments of the US defense ministry to control cost; resulting in low to moderate growth in the sector during the forecast period. The other regions such as Asia, Latin America, and the Middle East are expected to witness robust sector growth but there are considerably small in comparison with North America in the total spending in the sector.

The table below gives a brief overview of the global military aviation MRO market:

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<td>North America</td>
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<td>Asia-Pacific</td>
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<td>Europe</td>
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<td>Latin America</td>
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<tr>
<td>Total Military Aviation MRO Market</td>
<td>US$XX billion</td>
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Source: SDI analysis © SDI
2.3 Military Aviation MRO Sub-Sector Market Size Composition

2.3.1 Multi-role Aircraft MRO market will remain the largest but will lose its share over the forecast period

Multi-role Aircraft MRO has been the largest segment in the overall MRO aviation sector at the global level. The category is expected to retain its leadership position but will witness a drop in its share as the other segments in the sector are poised to grow much faster than the multi-role aircraft. In the current circumstances, the factors enduring growth in the segment involve anticipation of war and increased focus on surveillance and homeland security by a number of major military powers around the world. These factors are motivating the militaries to not abstain MRO spending and continue upgrading the aircraft with new technologies in addition to spending on maintaining a large fleet of multi-role fighter aircrafts.

In the last two decades the wars in Afghanistan and Iraq, which had been the primary reason for the healthy growth in the segment, have concluded, with US forces expected to leave Afghanistan in 2014. Although this development has affected growth rates in the segment, the loss has been nullified by other major developments, including the military tensions between various countries that are still on the rise. The military conflicts between US-China, Israel-Iran, India-Pakistan, China-Taiwan, India-China, and Chile-Peru might not result in a war in the forecast period but these countries are expected to have the required military preparedness for the unexpected. Air Sorties, especially involving fighter jets, will continue to remain at the forefront of global military operations.

The multirole aircraft MRO market is expected to register a strong CAGR growth of XX% during the forecast period and account for XX% of the global military MRO market, while transport aircraft MRO and rotorcraft MRO are expected to constitute XX% and XX% respectively. The UAV MRO market is expected to have a relatively low share of XX%.

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<tr>
<td>Multirole Aircraft MRO</td>
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<td>Transport Aircraft MRO</td>
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<td>UAV MRO</td>
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