

MRO

Aerospace Magazine

C-ing Is Believing

Return of The C Check



Direct Maintenance

Business continuity and expansion in Africa

USM Components

Steady growth as market demand returns

MRO Europe

Industry gathers once again in Amsterdam

Europe prepares for renewed possibilities

As the aviation industry gathered in Amsterdam for the MRO Europe 2021 event, **Keith Mwanalushi** speaks to some exhibitors about how they are preparing for the return of MRO and aftermarket activity, especially in the European region.

For the last 18 months or so business communications have been limited to video and telephone calls but finally, all roads led to Amsterdam in the Netherlands for much needed face to face connections. The team at Aero Norway were excited to participate at MRO Europe and showcased their outstanding performance of CFM56-3, -5B and -7B engine MRO as well as future steps into the LEAP programme. "Furthermore, we have used this time to prepare for the future by improving our infrastructure,"



Ramon Peters, Global Sales & Marketing Director, Aero Norway



tells Ramon Peters, Global Sales and Marketing Director at Aero Norway. Peters reports that big progress has been made on the internal fast track process, enabling them to handle short customer TAT requests whilst also adding economical advantage without affecting current workload – "As quality is a given, we felt that this fast track would benefit our customers, from a TAT and economical perspective as well as creating additional value."

During the pandemic, the Aero Norway board, management and all employees agreed to a reduction of remuneration to keep everybody on board – "no one was forced to leave," Peters points out. Luckily, he says this was only for a short period, and ensured that Aero Norway kept all its talented workforce and maintained its work culture. "This means that we are still staffed on 2019 levels and even recently hired six new technical apprentices

The 2021 MRO Europe event opened its doors on October 19th.
Photo: Aviation Week Events and Twitter

in September. This also includes our environmental responsibility, reducing our waste and review a low carbon emission engine test cell, these are only a few of our improvements. Getting back on track for an increase of CFM56 MRO and preparing for LEAP MRO are our main goals, we look confident to the future," Peters adds.

At Vallair, they were showcasing six complementary business units - trading and leasing, cargo conversions, aircraft MRO, engines, aerostructures and painting and aircraft disassembly from their various bases in Montpellier, Chateauroux and Luxembourg. "We were on site to discuss the aviation industry requirements," says Steve Pike, Aerostructure and MRO Sales Service Manager. He explains that 2021 has been a busy year for Vallair with its A321 cargo conversion deliveries and preparations for a new hangar facility due to open in the first quarter of 2022. "MRO Europe provides Vallair with a platform to showcase our multi-faceted business units and capabilities and personal approach to supporting our airline customers in their respective markets."

Vallair just announced that it is adding a purpose-built MRO facility in Chateauroux. The full-service aircraft



Steve Pike, Aerostructure and MRO Sales Service Manager at Vallair



Derk Nieuwenhuijze, VP Digital, Marketing & Communication at AFI KLM E&M

MRO hangar is adjacent to its existing aerostructures repair and logistics facility, as well as extensive parking and storage area in Chateauroux. The new facility will accommodate four A321s or a combination of A330 and A321s.

Peters remarks that the aim now is to support operators throughout these challenging times and to be prepared for the surge in demand expected from the fourth quarter. Vallair currently has seven aircraft scheduled for such work in Chateauroux, with another five expected over the coming weeks. "This will be our initial orderbook." Vallair currently has three Airbus A321F conversions in operation, two of those with a European based operator.

At the aerostructure facility also in Chateauroux, the facility is supporting several clients within the region with CF56, V2500, PW4000 and Trent 700 aerostructure repairs to engine inlet cowlings and thrust reversers. Vallair also supports Airbus and Boeing flight control repairs and overhaul for the aftermarket.

AFI KLM E&M set up a lavish booth at #2080 and were obviously present on home turf. "Our main objective is to reconnect in person and further develop our relations with our customers," speaks Derk Nieuwenhuijze, VP Digital, Marketing and Communication.

AFI KLM E&M were busy showing some innovations in their "The MRO lab" corner. Nieuwenhuijze feels innovations are now more than ever pivotal for

the future of airlines and MROs alike. "This is why we are demonstrating new tools and technologies that could help the airlines to manage smoother operations. As examples, our predictive maintenance suite, PROGNOS, new part repairs developments, VR and AR training technologies or other digital tools."

Going forward, the issue is about the speed of recovery. Nieuwenhuijze cautions that the market is hard to predict with still a lot of changes and unforeseen events. "That is why we have done our utmost to maintain our capacity in order to be able to meet the demand for the restart."

GA Telesis had representation from all their aftermarket component, tooling and logistics groups, along with MRO services business units and GATES engine MRO. "We were very excited to be in front of our European customers again," declares Abdol Moabery, Chief Executive. That said, he stresses that their MRO business units never really slowed down. "While we had some reductions in component or engine inputs for a short period, the MRO side remained resilient. In fact, we added several new capabilities through the pandemic, including a new engine test cell in Finland, a new transmissivity test cell and autoclave in our aerostructures centre, and a new SPAH [Specialised Procedures Aeroengine Hospital] in Finland, with a second one being built as a greenfield project in the USA."

And all things considered, Moabery



Abdol Moabery, Chief Executive at GA Telesis

reports that GA Telesis are operating at beyond 2019 levels with the pandemic condition, "so we know we have to prepare for an increase in volumes when long-haul international flight frequencies resume. We are very prepared for this and are ready for the challenge. Our plan is very simple; we plan to address the market size that is available to us. Our market outlook is very positive, and we forecast significant growth in the region."

At the HAEKO Group, there is additional focus on the EMEA region now within the newly established HAEKO Group Commercial organisation. Klaus-Peter Leinauer, VP Group Commercial

EMEA, together with the EMEA commercial team were geared to meet existing customers in the region and at the same time develop new opportunities and grow the business according to HAEKO's group strategy. "An event like MRO Europe is a perfect platform for that as we are able to meet existing and future customers, listen to them and discuss how our wide range of services and solutions can add value to their business.

"We are still very confident that the European MRO market will recover soon and that there will be huge demand in the next couple of years due to deferred MRO activities," Leinauer adds.

At Magellan, like others, the focus at MRO Europe was to reconnect with customers. They were highlighting their engine lease pool to help operators optimise cash flow while reintroducing their aircraft into service. "Our engine leasing team does a great job of providing custom-tailored options that are in line with each customers' individual needs. Many customers have different requirements, but the best way of preparing for the return of MRO and aftermarket activities is by talking to our customers and understanding their USM requirements as they go through the planning stages for re-activating their aircraft," states Richard O'Grady VP, Sales and Marketing at Magellan.

O'Grady mentions that one of the hurdles that they are facing now is longer than usual lead times. He explains: "Now, whether that is from the repair shops or freight transit times or both in some cases, but we know that our customers will not have the luxury to accept long lead times. So, we have focused our efforts on identifying the right parts to send to the shop and investing in the repair and overhaul of those parts now, so they are



Richard O'Grady, VP, Sales & Marketing at Magellan

readily available to our customers."

While the pandemic has had a detrimental effect on the European MRO and aftermarket sectors, at Magellan their outlook for the region is very positive. "We expect steady growth in demand for

both airframe and engine material, which is why we continue to acquire assets even during such a turbulent period as the last 18 months." O'Grady says they are seeing a steady increase in demand for engine material, especially for V2500 select one material, which is driven

by the latest AD. "While that AD has been around for close to 12 months, it is only in the last four to six months that we have seen the impact in the market. We can see this trend continuing for engine parts as the information we are receiving



Klaus-Peter Leinauer, Vice President Group Commercial, EMEA, HAEKO Group.

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*Klaus-Peter Leinauer,
HAEKO Group*



from the engine MROs suggests that bookings for engine shop visits are on the rise," he remarks.

Kellstrom Aerospace's entire EMEA team was at MRO Europe meeting new and existing customers to discuss how they can best support in the areas of factory new material (OEM), USM, repair management and technical services, asset leasing, trade and exchange engine hospital visit and field services, and the maximisation of aircraft portfolio value. Jeff Lund, CEO states that the key to success will be how you cope with the supply chain; particularly in the areas of factory new parts (OEM), used serviceable material, repair management and technical services. "Here at Kellstrom we are of the opinion that once market recovery is in full swing, aftermarket

demand will outpace current supply chain capacity. Kellstrom is laser focused on this issue and taking the appropriate action to ensure we are well prepared and ahead of the inevitable impact."

Lund explains that long lead times associated with the production of factory new OEM parts and subsequently, the long lead times for the repair of USM are now, and will continue to have, a major impact on the MROs ability to support the customer in a timely manner. "To mitigate the impact and ensure the availability of material Kellstrom is taking measures to ensure that we are well prepared and have stock of these materials in the desired condition on the shelf ready to go to support not only the one-off requirement, but also to support the MROs as shop inductions continue to ramp back up to pre-COVID levels." He says they are in close contact with airlines, repair facilities and MROs within the region to make certain that they have the necessary visibility of forecasted shop events and the anticipated increase in operational tempo to adequately plan for the required inventory.

"Given the number of different countries throughout the region and the constantly changing travel restrictions,

one of the most difficult challenges of this process is the ability to predict the volume and velocity of demand recovery while maintaining the right balance of inventory," Lund continues.

Still at Kellstrom, Al Malecha, Managing Director, for the EMEA region is of the opinion that given the current logistical network shortfalls and limitations that the demand for aftermarket material and services will rebound faster than the supply chain can support. "This will be particularly evident in the European market where uncoordinated travel and border restrictions, coupled with extended lockdowns and severe personnel reductions industry wide, have only served to compound over-extended logistical resources and supply chain networks."

Adding to the problem is that cash conscious airlines within Europe have only returned to service with enough passenger aircraft to handle the surge of the peak holiday travel season with the goal to maximise seat occupancy and load factors and to generate as much revenue as possible to see them through the end of the year and into Q1 2022 without having to add additional resources in the form of aircraft, crews, maintenance and support staff, etc. Since 50% of all cargo pre-COVID was



Jeff Lund, CEO, Kellstrom Aerospace

“Our position is that Q4 will see an upturn in passenger aircraft and engine maintenance events as airlines start to prepare for an anticipated increase in travel demand in Q1 and Q2 2022.”

Al Malecha, Kellstrom Aerospace



There is a positive outlook for recovery in the European MRO sector.

Photo: CSAT

transported in the bellies of passenger aircraft, this "planned shortage" of network capacity will only serve to exacerbate the current situation and put further strain on the supply chain, Al Malecha states. "Our position is that Q4 will see an upturn in passenger aircraft and engine maintenance events as airlines start to prepare for an anticipated increase in travel demand in Q1 and Q2 2022."

Also, participating at MRO Europe are Czech Airlines Technics mainly promoting their base maintenance division, landing gear overhaul, line and component maintenance, aircraft spare parts segment and other services but also showcase the opening of a new aircraft paint shop for narrow-body aircraft in Prague and the expansion within their base maintenance division while launching a sixth line in the hangar facility.

"Last autumn, we decided to offer customers short-term and long-term aircraft storage, both at Prague Airport

and at other airports in the Czech Republic and Slovakia," says Pavel Hales, CEO at Czech Airlines Technics (CSAT). "We are also very pleased that we have significantly expanded our co-operation with major leasing companies, offering them complete support, including aircraft storage, maintenance, CAMO support and other services. It is an interesting segment which fits perfectly into our structure and builds on the current comprehensive range of services we provide."

During the summer season, at CSAT, they already saw an increased demand for slots within the base maintenance division, especially from leasing companies. "In the upcoming main maintenance season, we already have fully booked capacity for base maintenance lines by airlines in our hangar at Václav Havel Airport Prague. After the end of the main season, we will continue to perform aircraft base maintenance checks and delivery and redelivery works for lessors."

As Hales highlights, the impact of the pandemic was different in every division.



Pavel Hales, CEO, Czech Airlines Technics

For example, he says there was no impact in landing gear maintenance, in other divisions they were able to focus on another service, product or clients, such as lessors. He adds: "Despite the challenging times, we have managed to keep most of the experienced and qualified employees to continue to provide the best possible services to our clients. During the pandemic, on the other hand, we have revised the current company's processes, and we are entering the next period with increase work efficiency across all departments."

Elsewhere onsite, the team from EirTrade Aviation attending MRO Europe and say they have already noticed a significant improvement in both airline and MRO activity. One of their primary objectives is to continue expanding their inventory across all platforms to support operator needs as air travel recovers. The current engine platforms being supported by EirTrade include CFM56-5B/7B, V2500-A5, PW4000, RB211 & CF6 platforms. Furthermore, EirTrade has continued to invest heavily in the A320, A330, B737, B757 and B767 inventory pools.

EirTrade's Vice President of Asset Management Lee Carey says as the remaining green time is utilised on

surplus engines, the demand for heavy shop visits should increase exponentially for narrowbody engine types and therefore stimulate an increase in the demand for USM. "However, the market will remain highly competitive in the short-term for USM given the number of aircraft and engines being retired and disassembled. During this time EirTrade will continue to support the organisation's clientele base with the highest quality service at competitive pricing."

EirTrade is currently very active in the market acquiring aircraft and engines across multiple platforms to support this growing demand.



Lee Carey, VP Asset Management at EirTrade

AEROSTAR - BREAKING THROUGH THE CRISIS



Aerostar opened a new MRO facility in August 2020.
Photo: Aerostar

Exhibiting at MRO Europe at Booth 4091, for AEROSTAR in Romania, it was clear from the beginning of the pandemic that, when the recovery takes place, there would be a significant increase demand for MRO services. The slowdown in the market was taken as an opportunity to invest in multiple recurrent training courses for all personnel, while, in parallel, type rating courses were continued for younger employees assigned to be the company's future generation of licensed staff.

Also, despite the crisis, AEROSTAR reached a new milestone in its history in August 2020 with the opening of a brand new three-bay maintenance facility at Iasi in northeast Romania, 130km north of Aerostar's existing business operations at Bacau where two hangars provide seven

aircraft bays. Iasi is dedicated to the Airbus A320 and Boeing 737 aircraft families and, in early September 2020, the first aircraft arrived for a maintenance check, an Airbus A320neo (LEAP-1A), operated by long-term customer Pegasus Airlines of Turkey.

Even though the business environment has been extremely affected by the COVID-19 pandemic, the company's 2020 goals have been successfully achieved, giving confidence for better results for 2021. This will be helped by extending the portfolio to include the Airbus A320neo (PW1100) and the Boeing 737 MAX.

Dan Velescu, Director MRO Civil Aviation Division, said: "The new maintenance facility in Iasi will help to strengthen and confirm the company's position as the main independent provider of MRO services both in Romania and in the region. This will see a continuation of more than 20 years of MRO experience, offering flexibility and high-quality standards, all being tailored and customised for each client to better meet their specific needs."

Grigoris Filip, General Director of AEROSTAR, added: "We want to once again reassure our current and potential customers that they can rely on AEROSTAR as a solid and reliable partner within the commercial MRO field."